An analysis of the eXtensible Business Reporting Language (XBRL) compliance by South African listed companies

by

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DECLARATION

I certify that the minor dissertation submitted by me for the degree Masters of Commerce (International Accounting) at the University of Johannesburg is my independent work and has not been submitted by me for a degree at another university.

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(Name in block letters)

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Onwards and upwards!

Abstract

eXtensible Business Reporting Language (XBRL) is one of the main areas of technological innovation that are taking the accounting profession forward into the fourth Industrial Revolution (4IR). The Companies and Intellectual Property Commission of South Africa (CIPC) requires all South African companies registered with CIPC to submit their minimum statutory compliance documentation digitally using inline-XBRL (iXBRL) reporting from 1 July 2018 onwards. This replaces the previous digital reporting system in which companies could lodge a PDF version of annual financial statements to a more structured format of submission.

This study is primarily focused on identifying how many of the 46 minimum reporting iXBRL tagging items mandated by CIPC are readily available in the published, electronic annual financial statements and/or integrated reports of sampled companies at the date that iXBRL reporting became mandatory. The sample comprised 43 registered South African companies listed in Johannesburg Stock Exchange (JSE) as at Monday 3 July 2018. The goal of the study is achieved by empirically analysing the annual financial statements of these entities using the proposed CIPC theoretical iXBRL framework. The research strategy used is content analysis.

Of the 46 data elements that were the subject of this study, 33 could be matched directly to information already presented by companies in their annual financial statements in at least 75% (32 companies) of the companies included in the study. In addition, three data elements were not in the annual financial statements of any of the companies in the sample. Furthermore, companies in the sample disclosed the remaining 10 data elements on an inconsistent basis in the annual financial statements.

The findings of this study contribute to the existing body of knowledge of XBRL reporting. The findings are of interest to regulators and other interested parties who are vested in IFRS compliance. It makes recommendations to amend proposed iXBRL reporting line items based on the results of the findings.

This study also addresses a gap in the literature by critically analysing the XBRL reporting requirements and the ability of a sample of South African companies to comply with these requirements in South Africa, where the adoption of XBRL was mandated by the CIPC from July 2018 onwards.

Key Words

4th Industrial revolution; CIPC; Companies and Intellectual Property Commission of South Africa; Disclosure; eXtensible Business Reporting Language (XBRL); eXtensible Mark-up Language (XML); Financial reporting; Information technology and accounting; Inline-eXtensible Business Reporting Language (iXBRL); Taxonomy(ies).

Abbreviations

%	Percentage
4IR	Fourth Industrial Revolution
Cat.	Category
CIPC	Companies and Intellectual Property Commission of South Africa
Companies Act	South African Companies Act, Act No. 71 of 2008
Conceptual Framework	The Conceptual Framework for Financial Reporting
HTML	Hypertext Mark-up Language
IAS	International Accounting Standard
IASB	International Accounting Standards Board
ICB	Industry Classification Benchmark
IFRS	International Financial Reporting Standards
iXBRL	Inline-eXtensible Business Reporting Language
JSE	Johannesburg Stock Exchange
n.d.	No date
para.	Paragraph
PDF	Portable Document Format
s.	Section
XBRL	eXtensible Business Reporting Language
XML	eXtensible Mark-up Language

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Chapter 1:

Introduction and study layout

1.1 Background

The fourth industrial revolution (4IR) or Industry 4.0 is an era characterised by an advanced interconnectivity of electronic data that enables machine learning to be a possibility, to an extent that computers can start making autonomous decisions without human intervention (Badem & Kilinç, 2019). It is an era that will allow knowledge processes, and not just production processes, to ultimately be automated through the fusion of several technologies (Endraria, 2019; Hoffman, 2017; Kruskopf, Lobbas, Meinander & Söderling, 2019). Hoffman (2017) and Endraria (2019) identify eXtensible Business Reporting Language (XBRL) based structured digital financial reporting as one of the three main areas of technological innovation that are propelling the accounting profession into the 4IR.

In essence, XBRL is a process through which a defined taxonomy, or library, of computer readable data tags is electronically attached and coded to financial information and values reported by entities. This results in more meaningful financial information that can be read and interpreted by machines for data analysis, validation and programmed decision making with little or no human intervention required (Steenkamp and Nel, 2012).

While XBRL may not be changing the rules of financial reporting as prescribed by accounting regulatory bodies, it is significantly changing the manner in which financial reports are being prepared and used globally (Badem & Kilinç, 2019). By generating machine readable financial information in XBRL format, financial reporting processes can be performed more efficiently and effectively. Analysis and comparison of XBRL tagged financial information can be automated and performed by computers, resulting in more efficient investment management decisions and regulatory oversight of reported data (Perdana, Robb & Rohde, 2015).

From July 2018 onwards, the Companies and Intellectual Property Commission of South Africa (CIPC) changed its submission regulations for reporting financial information from PDF documents to submission in inline-XBRL (iXBRL) digital formats. This decision was taken in order to "embrace(s) international best practices… and in improving efficiencies" (Companies and Intellectual Property Commission of South Africa, n.d.a).

CIPC now mandates that all South African companies registered with CIPC have to submit their minimum statutory compliance documentation digitally using iXBRL via a web-based portal. This replaces the previous digital reporting system where companies could lodge a PDF version of annual financial statements with a more structured format of submission (CIPC, n.d.a; CIPC, n.d.b). The submission of Annual Financial Statements in a PDF format was an unstructured format for electronic submissions. This meant that all analysis of data had to be performed by a human analyst manually, a process that is slow, prone to mistakes and frustrates attempts to compare data for trend comparisons (Viljoen, n.d.a).

According to CIPC (n.d.a), CIPC (n.d.b) and Viljoen (n.d.b), by mandating iXBRL submissions, CIPC is aiming to achieve the following dual purpose:

1. First, to improve efficiency, effectiveness and overall quality of financial reporting by applying XBRL functionality to automate data collection and to validate and analyse data submitted to CIPC using validation engines that automatically run through rules defined in the taxonomy, and

2. Secondly, to lead other South African regulators in adopting XBRL, to ultimately share a common taxonomy and achieve information exchange amongst regulators. It is anticipated that it could significantly benefit the South African economy as a whole, enabling early warning trend analysis and informed investment decision making using Business Intelligence technology. This is achievable if all annual financial statements submitted in iXBRL formats are consolidated into a central repository.

After public consultation and rolling out a pilot programme to test the proposed filing system and tagging protocols (CIPC, n.d.b), CIPC has issued 46 minimum reporting tagging items, which companies have to submit during the initial iXBRL filing processes (Viljoen, 2017). Some of these tagging items relate to specific line items, financial totals, or key company administrative data, while others require “block tagging” of reported information. Block tagging refers to instances where a whole report is tagged as a block of information being uploaded to CIPC through the reporting portal (CIPC, n.d.d). These 46 minimum reporting tagging items are detailed in Annexure 1 of this study.

Thirty-one of the minimum reporting line items reflect administrative information, statutory information and mandatory financial data reporting elements that have to be submitted to CIPC by entities on an annual basis. These include, amongst other line items, a company’s full registered name, company registration number, CIPC customer code, contact details and details of those charged with governing the financial reporting processes. There must also be a declaration that the information submitted has been approved by directors, includes a directors’ report and that it has been audited.

The remaining 15 line items pertain to key financial statement totals and sub-totals from a company’s statement of financials, statement of profit or loss and comprehensive income, statement of changes in equity, and the statement of cash flows that has to be reported, if the information is available. These four financial statements are collectively referred to as an entity’s primary financial statements.

In addition to the minimum reporting tagging items, CIPC has also made available detailed iXBRL tags for the primary financial statements of entities that are required to submit financial statements electronically. These tags have been developed with reference to the 2016 International Financial Reporting Standards (IFRS) taxonomies as issued by the IFRS Foundation. The notes to the annual financial statements will not need to be tagged during the initial roll out of iXBRL (CIPC, 2019). Banking and insurance companies will also not be required to tag the line items in their primary financial statements, but they may block tag these statements (CIPC, 2019).

1.2 Problem statement

This is the first time that most South African registered entities will be required to report in XBRL. While some sample studies and a pilot adoption project have been undertaken in South Africa (Buys, 2008; Nel & Steenkamp, 2008; Steenkamp & Nel, 2012), the XBRL reporting format is not yet widely utilised in the country. CIPC has mandated the iXBRL framework that all entities registered with CIPC have to adopt and apply from 1 July 2018.

This study primarily aimed at identifying how many of the 46 minimum reporting iXBRL tagging items mandated by CIPC are readily available in the published electronic annual financial statements and/or integrated reports of a sample of Johannesburg Stock Exchange (JSE) listed South African registered companies at the date that iXBRL reporting became mandatory (1 July 2018). This was done to draw conclusions on how easy it should be for companies to apply the new reporting requirements.

1.3 Research objectives

The research sought to address the following key objectives:

1) Review existing literature to understand XBRL and the minimum reporting requirements mandated by CIPC for the initial XBRL reporting process;
2) Review existing literature to understand how the International Accounting Standards Board (IASB) IFRS taxonomies have been developed and have evolved to the taxonomies currently being used globally by XBRL reporters;
3) Provide evidence of the current reporting practices of the sample companies, immediately before the mandatory application of iXBRL in South Africa;
4) Draw conclusions on the extent that the proposed iXBRL reporting line items can accommodate, and thus be adopted with ease, by the sample; and
5) If relevant, make recommendations to amend proposed iXBRL reporting line items based on the results of the study.

1.4 Research methodology

This study empirically analysed observable secondary data in an objective manner in order to identify similarities and irregularities within the data in a value-free way, and is therefore positivistic in nature (Saunders, Lewis & Thornhill, 2012). A deductive approach was undertaken to execute this descripto-explanatory study, with a sequential explanatory research design. Descripto-explanatory research seeks to gain an accurate profile of events or circumstances as well as to gain insight into the research topic by, for example, identifying causal relationships in the research data (Saunders et al., 2012, p. 171).

The appropriateness of the proposed CIPC theoretical iXBRL framework was empirically analysed through the collection of data presented in annual financial statements and integrated reports (if the annual financial statements are included in these reports) by the sampled companies. The study used content analysis as the research strategy. Content analysis is a widely recognised and accepted research methodology for analysing documents, reports and recording practices according to content categories based on rules of coding, as indicated by Barac and Moloi (2010), Berelson (1952), Krippendorff (1980), Marx and Mohammadali-Haji (2014), Mouton (2005), Stemler (2001) and Weber (1990).

The content analysis was performed using a checklist that was developed from the minimum reporting iXBRL tagging items published by CIPC. This study is similar in design to those employed in researching the adoption of IFRS taxonomies in Europe (Bonsón, Cortijo & Escobar, 2009), the United States of America (Bovee, Ettredge & Srivastava, 2002) and Italy (Valentinetti & Rea, 2012). The three studies analysed the XBRL taxonomies at a point in time against the information disclosed in the sample companies' annual reports at the research date. A yes/no scale was used to code the checklist used, with five sub-categories being applied to understand a "no" response in order to provide a meaningful analysis, where reported data could not be matched to the minimum reporting requirements mandated by CIPC.

The research was based on the available documents published by the identified companies as at the date that iXBRL filings became compulsory (i.e. 1 July 2018). The sample was selected to represent, as a minimum, the top 40 JSE listed South African registered companies. The top 40 companies represent a sizeable portion of the total market value of the JSE's All-Share Index, and is therefore considered to be representative of a wide range of stakeholders' interests in South Africa (Marx & Mohammadali-Haji, 2014).

The sample was extended to include at least three entities per ICB industry sector to ensure that the sample will be sufficiently representative of all industry sectors in order to draw reasonable conclusions on the South African reporting landscape. If the representation was less than three companies per industry sector, the minimum available entities in the industry sector was selected from the top 100 listing of JSE listed entities as of Monday, 2 July 2018.

1.5 Significance of the study

This study potentially addresses a gap in the literature by critically analysing the iXBRL reporting requirements and the ability of South African companies to comply with these requirements in South Africa where the adoption of iXBRL was mandated by the CIPC from July 2018 onwards (CIPC, n.d.a). This study analyses the development of CIPC's iXBRL minimum reporting requirements. It further provides evidence about the current XBRL adoption readiness of the sample companies, with reference to current reporting practices. Furthermore, the study provides insight on potential obstacles that companies can expect to face when mapping their current reporting practices to the iXBRL taxonomies published by CIPC for initial adoption.

1.6 Delineations and limitations of study

Due to the limited scope of this study, the research focused on a sample of the top 40 JSE listed companies registered in South Africa only. As such, the findings might not necessarily be representative of the financial reporting practices of smaller listed companies or unlisted entities, which however are also required to make annual submissions to CIPC.

The research findings are based on content published by the companies at a point in time, that is, the last published set of annual financial statements issued by the sample entities on or before 1 July 2018. It does not reflect reporting and disclosure changes made by the sample companies after this date.

In addition, as a research methodology, content analysis may have specific limitations, such as the risk of capturing an incomplete picture (Unerman, 2000). However, there is extensive literature that supports and recognises content analysis as an effective research instrument for analysing the characteristics of a population (Abeysekera, 2007; Ackers, 2009; April, Bosma & Deglon, 2003; Barack & Moloi, 2010; Boesso & Kumar, 2007; Brennan & Solomon, 2008; Stemler, 2001).

1.7 Broad outline of the study

In summary, the aim of this study was to provide an overview of the development of XBRL, IFRS Taxonomies and CIPC iXBRL minimum reporting requirements. It also set to provide evidence of the current reporting practices of the identified companies, immediately before the mandatory application of iXBRL. Lastly, it sought to make conclusions on the extent to which the proposed mandatory iXBRL reporting line items can accommodate, and thus be adopted by the sample of South African reporting entities.

This research study has five chapters, namely:

Chapter 1: Introduction

The background on the requirements for XBRL reporting in South Africa is discussed, followed by a discussion of the research problem and objectives. This chapter includes a high-level overview of the proposed research methodology.

Chapter 2: Literature Study

Existing international literature in respect of XBRL reporting practices is reviewed to understand the development of XBRL and identify key advantages and challenges associated with XBRL as a reporting language and to understand how XBRL is expected to affect accounting in the 4IR. This is followed by a summary of key findings from research specific to South African XBRL adoption and development. The chapter includes a review of 1) CIPC's minimum reporting information, and 2) the development of the current IFRS taxonomies issued by the IASB and which is being used by XBRL reporters internationally.

Chapter 3: Research methodology

The positivistic empirical research methodology to perform the content analysis on the secondary data on the sample is established with reference to previous studies on XBRL and IFRS taxonomies. The process undertaken to develop the checklist to test the proposed reporting taxonomies is established. The sample used in this study and the method for collecting data are defined.

Chapter 4: Study results

The iXBRL-readiness of the sample of companies is reviewed. Research findings on the current reporting practices and content of reports are analysed and summarised to determine the extent of the relationship between current reporting practices, CIPC's iXBRL reporting requirements and the other determinant factors defined and identified in this study.

Chapter 5: Conclusion and recommendations

The findings of the study are summarised and conclusions are drawn in this chapter. Recommendations for future research are included in this chapter. The limitations of the study are also highlighted in this chapter.

Chapter 2:

Literature study

2.1 Introduction

This chapter provides a brief explanation of XBRL as a reporting language and considers how XBRL was developed by the XBRL Consortium. The major advantages and disadvantages of XBRL as an electronic reporting language as identified in previous research studies are summarised in this chapter. In addition, an overview of previous XBRL pilot programmes and current XBRL research in South Africa is provided to give context of the current XBRL reporting landscape in South Africa, before the compulsory implementation of the CIPC iXBRL reporting requirements on 1 July 2018.

The literature study progresses to discuss the reporting requirements for South African companies as issued by CIPC and describes the development of the iXBRL reporting framework as mandated by CIPC. CIPC requires companies to electronically tag reporting data for financial statements in iXBRL filings using the IFRS Taxonomy framework as developed by the IASB. An overview of the development and maintenance of the IFRS Taxonomy framework by the IASB is thus provided. The purpose of discussing the development of these two frameworks is to conclude on the validity of the frameworks that are used as the basis for the study.

The literature review concludes by discussing the Conceptual Framework of Financial Reporting (Conceptual Framework) as issued by the IASB (IASB, 2018b). It also discusses how these iXBRL reporting requirements are expected to result in useful financial reporting for users of the financial reports.

2.2 XBRL: An overview of the reporting language

XBRL is an application of eXtensible Mark-up Language (XML), both of which evolved from the more commonly known Hypertext Mark-up Language (HTML). XBRL is a digital reporting application that enables companies to tag financial and other information in a format that is readable by computer programs (Buys, 2008; Debreceny, Chandra, Cheh, Guithues-Amrhein, Hannon, Hutchinson, Janvrin, Jones, Lamberton, Lymer, Mascha, Nehmer, Roohani, Srivastava, Trabelsi, Trinunella, Trites & Vasarhelyi, 2005; Ferguson, 2003; Steenkamp & Nel, 2012; Perdana et al., 2015).

HTML is an electronic mark-up language that was developed to code websites and is the text used to define how data or text is formatted and displayed on websites. For example, writing the word “XBRL” between and will indicate that the word has to be written in bold font. Thus, XBRL would be displayed as “**XBRL”** on a website (Nel & Steenkamp, 2008).

XML is more advanced than HTML, as it can add more meaning to data. An XML tag attached to a data set will allow a computer application to read what the data means, allowing data to be processed, interpreted or analysed by software programmes. XML is “extensible” by definition. This means that the mark-up language can be extended and adapted based on the information and communication needs of both preparers and users of data (Buys, 2008; Debreceny et al., 2005; Perdana et al., 2015).

As with HTML code, XML tags are also contained in “<” and “>” signs. For example: “If an employee number is formatted in the XML format, it might resemble the following: < EmployeeNo > 123456 < /EmployeeNo>” (Nel & Steenkamp, 2008). A software program can then identify that the text “123456” has a specific context or meaning, and will identify the value as an employee number. While this can be meaningful, it does not necessarily result in comparable data as each user may define the information tags differently. Referring to Nel and Steenkamp’s (2008) employee number example, it is possible that data tagged by different organisations may not necessarily be useful to all users outside of the organisation if companies attach different tags to the same underlying data.

For example, one organisation could tag an employee number with the XML code <EmplNo>. The exact same data can be tagged by a second organisation with the tag <EmployeeNo>. The use of a variety of tags by different users or organisations for similar of underlying data may result in the tag essentially becoming useless outside the organisation from which the data originates, due to lack of comparability (Bagranoff, Simkin & Norman, 2008; Dykes & Tittel, 2005; Nel & Steenkamp, 2008).

One of the qualitative characteristics of useful financial information, as defined in the Conceptual Framework issued by the IASB, is that the data should be comparable (International Accounting Standards Board (IASB), 2018b). The potential lack of comparability from the use of XML in tagging digital reports by preparers potentially renders it less meaningful as a digital financial reporting language, as noted by Nel and Steenkamp (2008).

In an attempt to effectively apply XML to support business and financial reporting processes, a number of electronic reporting languages were developed. This evolution of financial reporting languages developed from the principles of XML, as the need for comparability was identified by issuers and users of reporting data alike. Perdana et al. (2015) note these to include Electronic Business XML Initiatives (ebXML), Commerce XML (cXML), Interactive Financial eXchange (IFX) and Investment Research Mark-up Language (IRML). None of these, however, resulted in the development of a single, standardised electronic language for financial reporting (Perdana et al., 2015).

Extensible Financial Reporting Mark-up Language (XFRML) was introduced after accounting scholars, supported by the American Institute of Certified Public Accountants (AICPA), started investigating the possibility of adapting XML to allow for the "processing, preparation, and distribution of financial accounting information" (Debreceny & Gray, 2001, Perdana et al., 2015, p. 121). XFRML was found to address these issues (Roohani, Xianming, Capozzoli & Lamberton, 2010).

The proposition by Charles Hoffman (commonly referred to as the father of XBRL) (Liu & O'Farrell, 2013) to develop an open standard to digitise financial reports to address the issue of system incompatibility ultimately resulted in XBRL. This was achieved through the refinement of XFRML. XBRL is an application that allows for the integration of different information system platforms and software, resulting in better communication of data across various information systems (Hanon, 2003, Perdana et al., 2015).

XBRL has created authoritative and reusable definitions (referred to as taxonomies) to add meaning to data traditionally presented in nearly every conceivable business report (XBRL International, n.d.a). It is an extensible digital reporting language, similar to XML, which can be added to as needed, and does not limit the kind of information that can be defined by users.

By defining standard taxonomies for business reporting purposes, XBRL reporting allows for the accurate and rapid sharing of digital information between entities using different information systems. These taxonomies are developed and maintained by XBRL International (XBRL International, n.d.a).

2.3 The XBRL consortium

XBRL International was established as a not-for-profit international consortium organisation operating in the public interest, supported by member organisations. Volunteers develop structured XBRL data to be used for data reporting and analysis. At the time that this research was done, XBRL was being used in over 60 countries globally, with over 600 member organisations from both the private and public sector forming part of the XBRL Consortium (XBRL International, n.d.a). South Africa currently has 20 member organisations that form part of the XBRL Consortium (XBRL International, n.d.b). Refer to Annexure 2 for a list of these organisations.

The purpose of XBRL International is "to improve the accountability and transparency of business performance globally, by providing the open data exchange standard for business reporting" (XBRL International, n.d.a). This purpose is achieved through the development of XBRL to replace paper-based, HTML and PDF based business reports (XBRL International, n.d.a).

2.4 XBRL: At the forefront of the 4IR

XBRL is leading the charge of accounting application systems into the fourth industrial revolution (4IR) or Industry 4.0. The 4IR era is characterised by an advanced interconnectivity between electronic data that enables machine learning to be a possibility. Computers start making autonomous decisions without human intervention and, ultimately knowledge processes will be automated (Endraria, 2019; Hoffman, 2017; Kruskopf et al., 2019).

Hoffman (2017) and Endraria (2019) identify XBRL-based structured digital financial reporting as one the three main areas of technological innovatations that are driving the accounting profession into the 4IR. The other two areas are “knowledge-based systems and other such applications of artificial intelligence, and blockchain-based distributed ledgers” (Hoffman, 2017, p. 1, 13).

While XBRL is not changing the rules of financial reporting, it is significantly changing the manner in which these reports are being prepared and used globally. One of the factors driving this change is that XBRL structured and tagged financial information is readable and understandable by comptuters. Paper-based financial reports, including PDF financial reports, have to be read, interpreted and analysed by humans. By generating machine readable financial information in XBRL reported data, financial reporting processes can be performed more efficiently and effectively once the reporting processes are created. Analysis and comparison of XBRL tagged financial information can be automated and performed by computers, potentially resulting in more efficient investment management decisions and regulatory oversight of reported data, as discussed in the next section.

2.5 Advantages and disadvantages of XBRL

As indicated in literature (Bonsón et al., 2009; Bovee et al., 2002; Brown & Willis, 2003; Buys, 2008; CIPC, n.d.a; Liu, Luo & Wang, 2017; Perdana et al., 2015; Nel & Steenkamp, 2008; Steenkamp & Nel, 2012, Valentinetti & Rea, 2012; XBRL International, n.d.a), XBRL has been lauded repeatedly to have the following significant benefits:

- more efficient processing, review and analysis of financial data and compliance information by regulatory bodies, governments and agencies providing data to the general public;
- ease of data submission with improved accuracy to both regulators and analysts by reporting entities;
- more efficient and effective data and financial reporting supply chain process to all interested parties, allowing for agility when reporting needs change;
- simplified business reporting through the use of harmonised data definitions by reporting entities;
- efficient analysis of entity risk and performance by investors and analysts; and
- creation of ratios, user-defined data aggregation and other value-added analysis based on fundamental data coded based on XBRL taxonomies.

Malnig (2005) states that the efficiencies resulting from the use of XBRL can result in significant reductions in both the costs and time associated with data capturing and analysis, resulting in a streamlined financial reporting process. Buys (2004) indicates that an XBRL based reporting environment can result in companies saving both time and money, as it can eliminate the need for transactional or consolidations system when financial reporting systems can be set up to communicate directly.

In spite of the significant benefits expected from using XBRL, the main barrier to entry has been identified as the level of expertise required to initially implement XBRL and the potential costs related to implementation, including the modification of existing reporting processes and the acquisition of XBRL-tagging software, as only the XBRL language itself is actually free (Perdana et al., 2015; Steenkamp & Nel, 2012). In addition, the need for regulatory intervention and government pressures to achieve the successful, widespread adoption of XBRL has been identified as an inhibitor to adoption (Steenkamp & Nel, 2012; Troshani & Rao, 2007).

2.6 XBRL research: A South African perspective

The South African XBRL jurisdiction was established in 2006 (XBRL SA, 2006) and initial membership included the "South African Institute of Chartered Accountants (SAICA)…the Big Four audit firms, the JSE Securities Exchange, the South African Reserve Bank and various other regulators, banks and financial institutions, as well as universities" (Buys, 2008, p. 47). In November 2020, South Africa had 20 member organisations that form part of the international XBRL Consortium (XBRL International, n.d.b) as discussed above.

The JSE was the first global stock exchange to provide its financial reports (2002 and 2003) in IFRS XBRL format in 2004 (Buys, 2008). Buys' research found that XBRL was first noted in South African research publications by Barac (2004a, 2004b), who studied internet-related reporting activities for a sample of South African entities.

In 2008, the South African regulator of financial services and a major South African retirement fund administrator were the first South African organisations to attempt using XBRL to improve their supply chain for financial reporting. This was researched as a case study by Buys (2008). At the time of the Buys case study, "there had not been any contributions and discussions of actual XBRL case studies in a Southern African context" (Buys, 2008, p. 44).

The case study was successful and both parties benefited from the project. The regulator received information on a more timely and efficient basis, and analysis of data could commence as soon as the retirement fund administrator uploaded the XBRL reports (Buys, 2008, p. 52). The retirement fund administrator automated a number of internal processes resulting in potential future cost savings and significant efficiencies in financial reporting processes (Buys, 2008, p. 53). Buys' study confirmed the advantages expected from adopting XBRL as a reporting language.

Steenkamp and Nel (2012) carried out an empirical study to assess the level of XBRL awareness of South African accounting professionals. The study found that the level of XBRL awareness was low. They suggested that efforts need to be made to increase awareness of XBRL. The professionals surveyed in the study clearly indicated that XBRL reporting needs to be mandatory, for widespread adoption in the South African economic environment.

2.7 The Companies and Intellectual Property Commission of South Africa (CIPC)

2.7.1 CIPC: A regulatory body in South Africa

The CIPC was established as a juristic person to function as an organ of state within the public administration of South Africa through section 185 of the Companies Act (Act No. 71 of 2008) and functions as the primary regulatory body for companies registered in South Africa (Republic of South Africa, 2008, s. 187).

One of CIPC's primary objectives in South Africa is defined in the Companies Act as the "maintenance of accurate, up-to-date and relevant information concerning companies, foreign companies…and the provision of that information to the public and to other organs of state" (Republic of South Africa, 2008, s. 286). CIPC is charged with enforcing relevant legislation and monitoring compliance with the Companies Act as well as "monitoring patterns of compliance with, and contraventions of, financial reporting standards; and making recommendations to the (Financial Reporting Standards) Council for amendments to financial reporting standards, to secure better reliability and compliance" (Republic of South Africa 2008, s. 287, para. 2, 3).

In terms of section 33 (1) of the Companies Act (Republic of South Africa, 2008) and regulation 30 (1) (Republic South Africa, 2011), companies are required to file an annual return and to include copies of their annual financial statements, if they are required to have such statements audited in terms of the Companies Act. This submission is made on an annual basis, "…within the prescribed period after the end of the anniversary of the date of its incorporation".

The annual return "is a summary of the most relevant information regarding the company … and is filed with CIPC" (CIPC, n.d.e). CIPC currently requires these documents to be filed, accompanied by proof of payment of an annual registration fee, within "30 business days after the anniversary date of its incorporation" (CIPC, n.d.e). The purpose of filing annual returns "is to confirm whether a registered business is still in business/trading, or if it will be in business in the near future" (CIPC, n.d.e). If a company fails to submit an annual return (and its annual financial statements) within the prescribed time, it is assumed that the company is inactive and the company is deregistered. When a South African company is deregistered, it means that the company's "juristic personality is withdrawn and the company … ceases to exist" (CIPC, n.d.d). It can therefore be concluded there is sufficient regulatory backing for South African companies to comply with the filing requirements as prescribed by CIPC.

2.7.2 The CIPC launches XBRL as the new Digital Financial Reporting Standard

Regulation 30(5) (a) to the Companies Act (Republic of South Africa, 2011, p. 38) prescribes that the CIPC should

> establish a system to select and review a sample of financial accountability supplements, audited annual financial statements or independently reviewed annual financial statements that have been filed … with the objective of monitoring compliance with the financial record keeping and financial reporting provisions of the Act.

As per the Companies Act, the CIPC may "establish a system, using any means of electronic communication, to facilitate the automated … (iii) filing of any information contemplated by this Act" (Republic of South Africa, 2008, s. 6(13)(a))

Viljoen (2018) states that before the implementation of the XBRL filing process, the electronic filing system adopted by the CIPC required that annual returns be submitted as PDF documentation. CIPC then launched a project to implement XBRL as a Digital Financial Reporting Standard in February 2016. The project mandates the submission of XBRL tagged Annual Financial Statements to CIPC by qualifying entities for all annual returns after 1 July 2018 (CIPC, n.d.d). Section 13(6)(a) of the Companies Act (Republic South Africa, 2008) allows the CIPC to use “any means of electronic communications”, and, as such, the project can prescribe XBRL as a reporting tool for filers without the need to change any existing South African regulations.

2.8 CIPC’s iXBRL reporting framework

2.8.1 Why did CIPC decide to adopt an iXBRL reporting framework?

Before rolling out XBRL, the unstructured PDF format for data submission to the CIPC required the analysis of annual financial statements by a human analyst manually, and one by one. All validation and analysis calculations on these submissions were performed manually – potentially resulting in human errors in these calculations – and a slow process. Sector and economic analysis and comparison of this unstructured data was also difficult, limiting the scope of PDF document analysis (Viljoen, 2018).

At the time of launching the XBRL project, companies also prepared and submitted similar financial data in different prescribed formats to multiple regulatory bodies within South Africa, depending on the industry in which the companies operate. This created a burden on the preparers of financial information, as noted by Viljoen (2018).

According to CIPC (2019) and CIPC (n.d.c), the CIPC’s XBRL programme therefore aims to achieve the following dual purpose:

1. First, to improve efficiency, effectiveness and overall quality of financial reporting by applying XBRL functionality to automate data collection and also validate and analyse data\ submitted to CIPC using validation engines that automatically run through rules defined in the taxonomy; and

2. Secondly, to lead other South African regulators in adopting XBRL, to ultimately share a common taxonomy and achieve information exchange amongst regulators. It is anticipated that it could significantly benefit the South African economy as a whole, enabling early warning trend analysis, and informed investment decision making.

2.8.2 Creating the CIPC's iXBRL reporting framework

To deploy XBRL successfully, the CIPC found that three requirements were key (CIPC, 2019). First was the creation of a taxonomy that is the same for all companies that will be filing XBRL tagged reports, to ensure that consistency in tagging data is achieved by the users. This is discussed in more detail in section 2.8.3 **Error! Reference source not found.** below.

The second requirement was having an application or program that would enable users (filers) to create reports or, in this instance, annual financial statements, that are tagged with the XBRL taxonomy that adheres to the set requirements for every preparer. The Entity Tagging Software to be used is not prescribed by CIPC, but will enable reporting entities to export financial data into an iXBRL format. CIPC has identified software service providers to aid the adoption, but is not prescriptive on the programmes that should be used. This remains a business decision of the individual reporting entities.

Lastly, a web based application or portal has to be created by the regulator that companies can use to upload the reports prepared in an XBRL format. CIPC has created a Web Portal where iXBRL tagged reports should be uploaded. The portal will validate the submissions against the CIPC taxonomy, and at this point it will confirm if the submission is accepted. Submissions are accepted if there are no validation errors. After submission, CIPC will run back-office analysis on a sample of submissions. This analysis "will include functions that cannot be automated via running of validations as defined in the taxonomy" (Viljoen, 2017, p. 9).

Viljoen (2018) confirms that the requirements are for entities to submit a single data file containing all the tagged data elements identified by CIPC. The data file is to be uploaded as “iXBRL version 1.1 tagged data embedded in a single eXtensible HTML (xHTML) file” (CIPC, n.d.d, p.8) Furthermore, CIPC has clarified that iXBRL data should be uploaded as an xHTML file, as opposed to an HTML file, as this format of submission will result in well-formed XML, which is the format expected by CIPC. In addition to this, this format allows for CIPC to perform more rigorous checking of the mark-up elements against the reporting requirements (Viljoen, 2018).

The iXBRL reporting framework mandated by the CIPC is illustrated in
Figure **2.1** below.

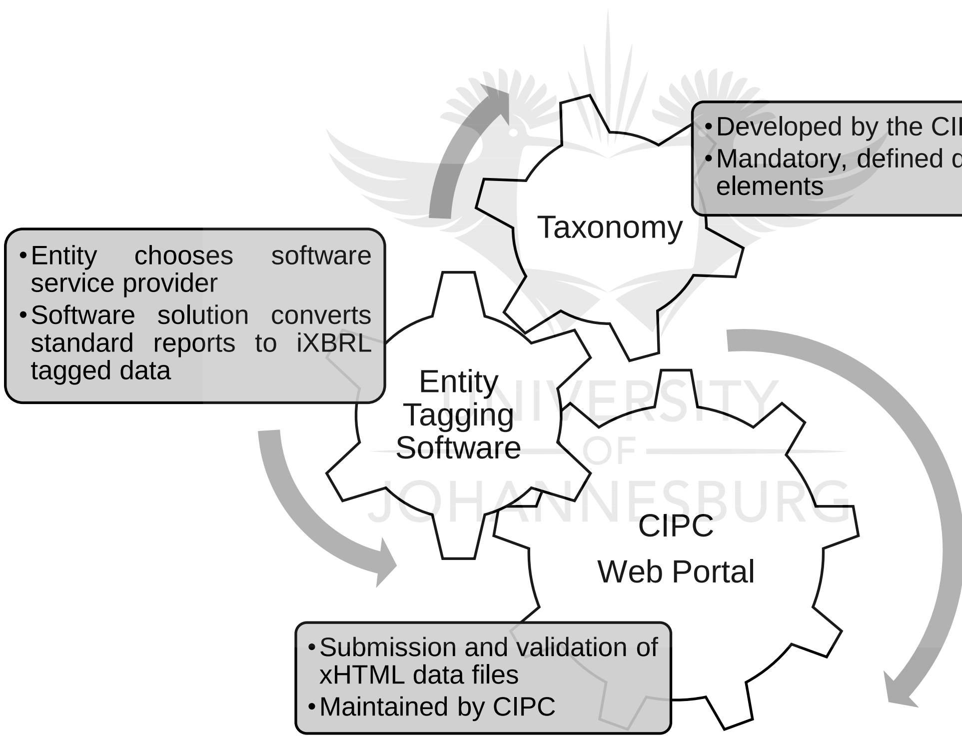

Figure 2.1: Visual illustration of the iXBRL reporting framework mandated by the CIPC *(CIPC, 2019).*

2.8.3 The CIPC’s iXBRL taxonomy: a data model

The online Collins English Dictionary (2018) defines taxonomies as “the process of naming and classifying things such as animals and plants into groups within a larger system, according to their similarities and differences". Essentially, it is a process during which a dictionary of standard terminology is created, to classify or tag data. This dictionary of terminology is referred to as taxonomies. The CIPC refers to its taxonomy as a "dictionary of financial facts" created for users.

A consistent taxonomy, or single specification, that will work for all filers that will be using the iXBRL portal is required for the system to work efficiently. If a single specification is not used by all filers for same/similar line items, then the automated rendering and extraction tools that CIPC plans to use to achieve the highlighted benefits of XBRL reporting, will have to be prepared for all possible specifications that filers may decide to use. This defeats the dual purpose for which CIPC has created this new method of filing information.

CIPC has developed a data model for the data elements to be tagged in iXBRL filings by entities submitting statutory filings on or after 1 July 2018 (CIPC, 2019; CIPC, n.d.c). This developed data model comprises two distinct components. The first is minimum statutory data elements that were specifically identified by the CIPC to cover "the reporting requirements of domestic entities as prescribed by Companies Act, No. 71 of 2008 and Closed Corporations Act 69 of 1984" (CIPC, 2019, p. 8).

The second component is the IFRS taxonomies, Full and IFRS for SMEs, as developed by the IASB as on 31 March 2016 that have been incorporated in the data model (CIPC, 2019). The reason for this inclusion is that South African companies' financial statements should be prepared in accordance with appropriate financial reporting standards, which "must be consistent with the International Financial Reporting Standards of the International Accounting Standards Board or its successor body" (Republic of South Africa, 2008, s. 29(5)). The current IFRS taxonomies developed by the IASB are based on IFRS, and should therefore be aligned with the financial statements prepared by South African companies.

These two components of the CIPC data model are discussed in more detail below:

1) Minimum statutory data elements

As stated, the minimum statutory data elements are intended to cover the Companies Act's prescribed reporting requirements for domestic entities. The minimum statutory elements identified by CIPC in the data model, are summarised in Annexure 1, are:

a) 31 mandatory data elements, generally intended to cover administrative information about a filer as required by the Companies Act; and

b) 15 data elements that are only mandatory if the entity can provide a valid value for the element; if it is not possible for an entity to report on these 15 data elements, an explanation will be required via a footnote on the specific element by the filers. These 15 data elements reflect significant sub-totals and totals presented in the primary financial statements of filers.

For the purposes of this study, the 31 mandatory data elements have been grouped into the following two sub-categories:

a) company administrative and statutory information, which includes information such as a company's address and registration number, and

b) mandatory financial reporting elements, which include information such as a company's revenue, reporting currency and the date of the end of reporting period.

2) IFRS taxonomies for primary financial statements

As noted, the IFRS taxonomies developed by the IASB as on 31 March 2016 have been incorporated in CIPC's data model (CIPC, 2019). This by far represents the bulk of the developed data model that filers are expected to apply when preparing data for submission in this new format. This section considers how these IFRS taxonomies are incorporated into the CIPC's data model. Section 2.8 of this literature review considers the processes followed in the development and maintenance of the IFRS taxonomies by the IASB, to conclude on the validity of using it as a key component of the CIPC's data model.

The minimum tagging will comprise of individual tagging of all applicable facts of the primary financial statements. There is no minimum requirement to tag the notes supporting the annual financial statements at initial implementation of iXBRL reporting.

The primary financial statements specifically identified by CIPC (2019; n.d.d.) are as follows as:

- Statement of financial position, current/non-current;
- Statement of financial position, order of liquidity;
- Statement of comprehensive income, profit or loss, by function of expense;
- Statement of comprehensive income, profit or loss, by nature of expense;
- Statement of comprehensive income, OCI components presented before tax;
- Statement of comprehensive income, OCI components presented net of tax;
- Statement of cash flows, direct method;
- Statement of cash flows, indirect method;
- Statement of changes in equity; and
- Statement of changes in net assets available for benefits.

It can be noted that the primary financial statements as identified by CIPC permit users to tag one of two alternatives for the statement of financial position; statement of comprehensive income, profit or loss; statement of comprehensive income; and statement of cash flows. The reasons for allowing these alternatives are discussed below:

a) *Statement of financial position*

The statement of financial position may be tagged either using a current/non-current classification for assets and liability, or assets and liabilities in order of liquidity. Paragraph 60 of International Accounting Standard (IAS) 1 *Presentation of Financial Statements* (IASB, 2014) requires entities who prepare IFRS financial statements to "present current and non-current assets, and current and non-current liabilities, as separate classifications in its statement of financial position…except when a presentation based on liquidity provides information that is reliable and more relevant". As the accounting standards permits a choice of statement of financial position presentation, both methods have been catered for in the iXBRL taxonomies.

b) *Statement of comprehensive income, profit or loss, and statement of comprehensive income, OCI components*

The statement of comprehensive income, profit or loss allows for tagging of expenses presented by function or by nature, and the statement of comprehensive income may also be tagged with other comprehensive income presented before tax or net of tax. Again, these options are provided due to presentation choices permitted in IFRS.

Paragraph 99 of IAS 1 requires entities to present profit or loss based on either their nature or function. The presentation choice is based on the classification that will result in the most relevant and reliable profit or loss information to users of the financial statements. IAS 1, paragraph 81A permits preparers to present either a single statement of comprehensive income, or two statements, with profit or loss and other comprehensive income being presented as two separate statements, with paragraph 90 allowing entities a choice to present other comprehensive income before or net of tax (IASB, 2014).

c) *Statement of cash flows*

Lastly, the statement of cash flows may be tagged using either the direct or the indirect method. This is allowed as entities preparing IFRS compliant financial statements have the option to present a statement of cash flows using two methods as per IAS 7 *Statement of cash flows* (IAS 7) (IASB , 2001). Entities may elect the presentation method that is "most appropriate to its business" (IASB , 2001, para. 6).

Paragraph 16 of IAS 7 discusses the two different methods:

- The direct method, where preparers disclose "major classes of gross cash receipts and gross cash payments" on the face of the statement of cash flows, or
- The indirect method, where the profit or loss is adjusted for non-cash items, deferrals, accruals, and cash flows from investing or financing activities.

While the direct method is encouraged (IASB , 2001, para. 17), it is not a prescribed presentation method; thus, the tagging rules incorporate both presentation methods.

2.9 Understanding the IFRS taxonomies developed by the IASB

The IASB started developing taxonomies for IFRS in 2002 (IFRS Foundation, n.d.a). The IFRS Taxonomy that is published by the IASB is a system used to classify disclosure prepared in terms of IFRS, and has been developed as a single, global standard to mark-up IFRS financial statements (IFRS Foundation, 2014, para. 16). The IFRS Foundation and IASB developed the taxonomies as a content mark-up standard using XBRL that can be used to mark up or tag electronic IFRS financial statements to ensure that these tagged financial statements will accurately present IFRS (IFRS Foundation, n.d.b).

According to the IFRS Foundation (2014, para. 9, 10, 11), these taxonomies are based on two primary sources:

1) First, the IFRS bound volumes, from which the taxonomies are created with reference to both the presentation and disclosure contained in standards and application guidance, as well as the illustrative examples and implementation guidance supporting these standards.
2) Secondly, since 2012, the IFRS Taxonomy started to incorporate common practice, reflecting disclosures that are either common practice across entities or commonly reported by entities in specialised industries (like real estate or banking), even when not mandated by a specific IFRS. Common practice has been incorporated into the IFRS Taxonomy to achieve consistency and efficiency in application and enhance data analysis.

However, the taxonomies do not incorporate nor reflect region- or country-specific or entity-specific disclosures (IFRS Foundation, 2014, para. 8).

The primary users of these taxonomies as indicated by the IFRS Foundation (2014, para. 6), are the same as those parties noted by the CIPC that will be affected or are deemed to potentially benefit from XBRL (CIPC, 2019). These users are preparers of financial statements, regulatory organisations, investors, credit lenders and other users of IFRS financial statements who may access the marked-up financial data in a timely and efficient manner when processing, interpreting and analysing this data.

The developed IFRS Taxonomy is continuously updated and improved. Factors that trigger taxonomy updates are specifically noted by IFRS Foundation (2014, para. 18) as:

a. amendments to existing Standards;
b. new Standards;
c. common practice reviews; and
d. improvements to the IFRS Taxonomy.

Improvements to the IFRS Taxonomy incorporate corrections, removal of inconsistencies or any changes identified during public consultation between the IASB and its constituents. Changes may also result from changes in technological factors like the architecture or technical reporting format required. This process to update the IFRS Taxonomy is robust and is illustrated in Figure 2.2.2 below.

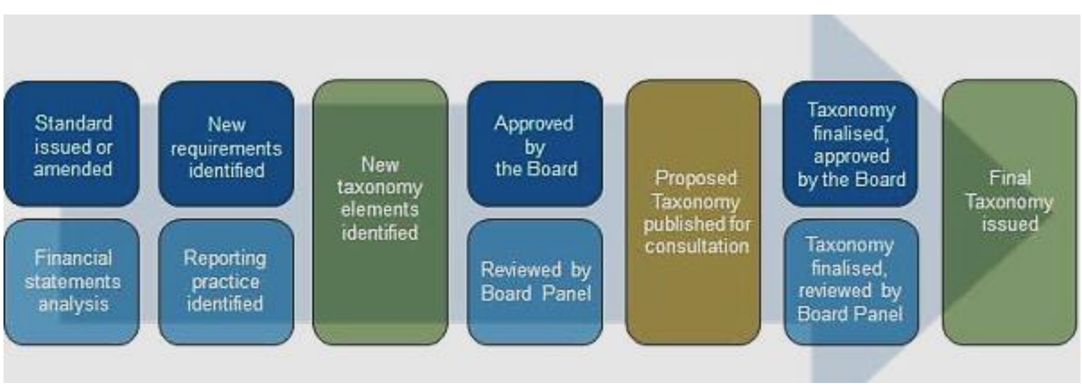

Figure 2.2: Process followed to update the IFRS Taxonomy *(IFRS Foundation, n.d.c).*

The IFRS Taxonomy Consultative Group (identified as the “Board Panel” in figure 2.2 above) was established by the IFRS Foundation to provide a forum through which interested members can provide input into the development of the IFRS Taxonomy. The mandate of this group specifically tasks them to review the IFRS Taxonomy in depth, ensuring that both the data content and technical architecture meets expected market standards and best practice (IFRS Foundation, n.d.d). The annual IFRS Taxonomy incorporates all updates to the IFRS Taxonomy that are published throughout the calendar year, and is usually published by the IFRS Foundation in the first quarter of every year (IFRS Foundation, n.d.d).

The CIPC has adopted the March 2016 version of the IFRS Taxonomy issued by the IASB for the initial iXBRL filings by companies. The changes that have been made to the IFRS Taxonomy 2016 since March 2016 were identified by the researcher by comparing the 2016 version of the taxonomy to the IFRS Taxonomy 2017 and IFRS Taxonomy 2018, and have been summarised in Annexure 3 (IASB, 2016; IASB, 2017; IASB, 2018a). This information has specifically been noted for the purposes of this study, as any disclosure discrepancies or deficiencies identified during the research process may potentially be addressed through updating the CIPC data model to the most current version of the IFRS Taxonomy published on 16 March 2018. The identified amendments either did not impact the primary annual financial statements element labels or they are only effective for annual reporting periods commencing on or after 1 January 2021, and will therefore not impact on the findings of this study.

As noted, a robust process exists to develop and maintain the published IFRS taxonomies. It can therefore be concluded that it is a valid and well-developed taxonomy, and inclusion of this IFRS taxonomy as a key component in the CIPC’s data model results in a current and complete set of XBRL definitions for preparers to utilise.

2.10 iXBRL supporting the objective of financial reporting

iXBRL will assist preparers to continue to meet the objective of financial reporting as defined by the IASB in the Conceptual Framework (IASB, 2018b). It is stated in paragraph 1.2 (IASB, 2018b) that the objective of general purpose financial reporting is to:

> …provide financial information about the reporting entity that is useful to existing and potential investors, lenders and other creditors in making decisions relating to providing resources to the entity.

The Conceptual Framework then goes on to define the qualitative characteristics of such useful financial information in Chapter 2. If reported financial information is presented and disclosed to users in accordance with these characteristics, it will likely result in financial information that is most useful to users of this information, in the process achieving the ultimate objective of financial reporting as defined above.

The two fundamental qualitative characteristics of useful financial information are noted by IASB (2018b, para. 2.5) as:

1. Relevance
2. Faithful representation

Relevant financial information is information that has the ability to influence decisions made by users about an entity; in other words material to a user's decision-making processes, and it can be used to either predict future outcomes or to confirm previous evaluations made by users about an entity (IASB, 2018b, para. 2.6 to 2.11).

Faithfully represented financial information is considered to be "complete, neutral and free from error" (IASB, 2018b, para. 2.23). The two fundamental qualitative characteristics are supported by the following four enhancing qualitative characteristics: (1) comparability, (2) verifiability, (3) timeliness, and (4) understandability of reported financial information (IASB, 2018b, para. 2.23).

The cost of preparing useful financial information is specifically noted as a pervasive constraint in the Conceptual Framework (IASB, 2018b, para. 2.39). Financial statements that are stated to have been prepared in compliance with IFRS, should already report data that is relevant and faithfully represented. However, it is likely that the new iXBRL reporting framework can improve qualitative characteristics defined in the Conceptual Framework, as illustrated below.

By using a single iXBRL reporting framework and incorporating the defined IFRS taxonomy into this framework for all companies that will report to the CIPC, the comparability of information between entities will definitely be enhanced as entities will use the same tags for the same underlying data. This will enable users of the financial data to compare like-with-like more consistently.

The CIPC, as well as financial analysts, will be able to verify financial information more efficiently using technology that incorporates and interprets iXBRL tagged data. As the information will be uploaded in computer readable format, the general timeliness in which reported data is disseminated will likely be improved, as tagged information will be readily available for immediate analysis by appropriate software.

Lastly, to the extent that users of the reported financial information are aware of the content of the defined taxonomies, the general understandability of reported information will be improved, as it is likely that more consistency in reporting will be observed as the preparers are using the same, consistent terminology.

Ultimately, the researcher holds that these improvements would lead to the increased usefulness of reported financial data. One may conclude that the iXBRL reporting framework will enhance financial reporting processes and aid companies in achieving the stated objective of general financial reporting.

2.11 Conclusion

From the above literature review, it can be concluded that the significant benefits of reporting financial information in a XBRL format far outweigh the cost of compliance for companies. Not only does it provide information that is meaningful and can be used more efficiently by multiple stakeholders for their individual reporting needs, it will also likely improve the quality of reported financial information.

The iXBRL reporting framework adopted by the CIPC is enforceable through the workings of the Companies Act and the process followed in creating this framework has resulted in a robust reporting framework that South African companies will adopt. The IFRS taxonomies developed by the IASB and incorporated by the CIPC in the iXBRL reporting framework are continually developing and evolving to meet the reporting needs of users of these v. Not only do they reflect current reporting practices and the disclosure options prescribed by the IASB, they have also been successfully tailored to reflect industry-specific reporting practices.

As illustrated, the usefulness of reported financial information will likely be enhanced through adopting this reporting framework, thus contributing to the objective of financial reporting as defined by the IASB in the Conceptual Framework. The next chapter describes the research methodology adopted in this study.

Chapter 3:

Research methodology

3.1 Introduction

Secondary data prepared by sampled companies is empirically analysed in this study through content analysis, with a comprehensive checklist being used as the tool to perform the analysis. This is done to evaluate the sample's ability to comply with the iXBRL disclosure model, as required by CIPC. This chapter provides a comprehensive overview of the research methodology developed for the purposes of this study.

This chapter explains the research philosophy and approach, followed by the design, method and strategy. The research technique, the development of the checklist used on this study, and the selection process applied to identify the sample selected for this study are also discussed.

3.2 Research design

The research design for this study is summarised in Figure 3.1 below.

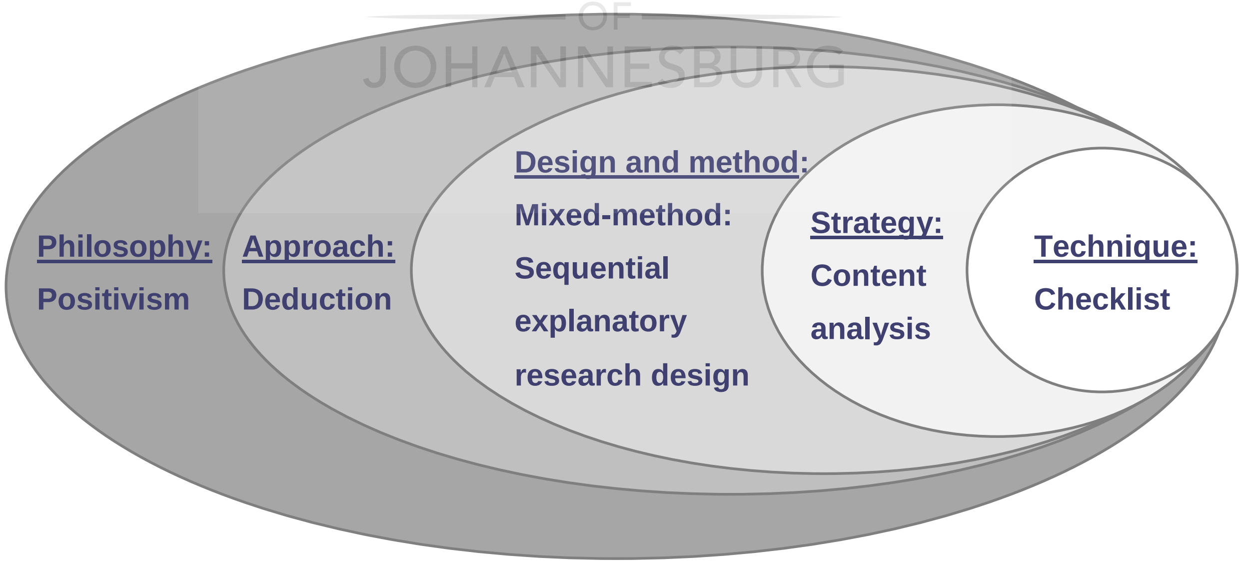

Figure 3.1: High-level summary of research methodology *(Adapted from Saunders et al., 2012, p. 160).*

3.2.1. Research philosophy: Positivism

Accounting as a discipline is a social activity falling within the realm of social sciences (Coetsee, 2010; Coetsee, 2011; Baker & Bettner, 1997). A positivistic research framework is one of three acceptable research frameworks within social sciences, the other two being interpretative and critical research (Henning, Van Rensburg & Smit, 2004). Coetsee (2011) argues that a positivistic research approach is synonymous with mainstream accounting research and will provide empirical observations from an objective viewpoint.

A positivistic research framework seeks to describe underlying phenomena and explain the phenomena being researched (Coetsee, 2011; Deegan & Unerman, 2006, p. 8). Positivism is generally accepted to be a scientific research approach, as it seeks to capture one, independent and observable truth from the underlying facts or circumstances being researched. Because of this, positivism is critiqued to be inappropriate for social sciences research, specifically in that the research paradigm purports that truth can exist independently from the actions of social actors. Armstrong (2008) confirms that positivism can be used in accounting, and similar social disciplines, successfully if the research outcome can be objectively verified.

This study empirically analyses observable data in an objective manner in order to identify similarities and irregularities within the data in a value-free way (Saunders et al., 2012), and is therefore positivistic in nature. The study further falls within a positivistic framework, as:

- a highly structured methodology – as detailed in this chapter – is employed to perform the research to enable replication of the research process, as required (Gill & Johnson, 2010), and
- the empirical research approach is designed to produce “quantifiable observations that lend themselves to statistical analysis” because the checklist findings are coded and analysed for significance in relationships (Saunders et al., 2012, p. 135).

3.2.2. Research approach: Deductive

A deductive approach, as described by Saunders et al. (2012, p. 48) is undertaken. This is because the appropriateness of the proposed theoretical iXBRL framework is tested through the collection of secondary data presented in annual financial statements and integrated reports by the sample of companies (Saunders et al., 2012).

3.2.3. Research design and method: Mixed-method descripto-explanatory

A mixed-method approach has been undertaken in this descripto-explanatory study, with a sequential explanatory research design. Descripto-explanatory research seeks to gain an accurate profile of events or circumstances, and then further gain insight into the research topic by, for example, identifying causal relationships in the research data (Saunders et al., 2012, p. 171).

Saunders et al. (2012, p. 165-166) describe mixed-method sequential explanatory research design as research in which quantitative research is performed first, followed by qualitative research activities. In this study, research was firstly undertaken to quantitatively analyse and find relationships in the secondary financial reporting data reviewed for the purposes of this study. This was the dominant research method undertaken. The data gathered was then qualitatively interrogated in an attempt to further explain the research findings obtained.

3.2.4. Research strategy: Content analysis

Content analysis is widely recognised and accepted as a research methodology to analyse documents, reports and recording practices according to content categories based on rules of coding, as indicated by Barac and Moloi (2010), Berelson (1952), Krippendorff (1980), Marx and Mohammadali-Haji (2014), Mouton (2005), Stemler (2001) and Weber (1990). This was the strategy selected for this study. The content analysis was performed using a checklist as a tool to analyse the content in the annual financial statements and integrated reports. The development of the checklist used is further discussed in section 3.3 of this chapter.

Finally, the observations from the content analysis were analysed, summarised and tabulated to comment on the iXBRL adoption readiness of the sample companies and provide insight into areas of potential concern on adoption of an iXBRL reporting framework for South African companies. The findings were also analysed for any statistical significance between the factors that could potentially influence IXBRL adoption in South Africa.

3.3 Research technique: Checklist

This study is similar in design to those employed in researching the adoption of IFRS taxonomies in Europe (Bonsón et al., 2009), the United States of America (Bovee et al., 2002) and Italy (Valentinetti & Rea, 2012). All three studies analysed the XBRL taxonomies at a point in time against the information disclosed in the sample companies' annual reports at the time of study.

Bonsón et al. (2009), Bovee et al. (2002) and Valentinetti and Rea (2012) essentially applied a two-step process in analysing the taxonomies and reported data. The first step verifies if "the taxonomy adequately reflects the companies' reporting practices" (Valentinetti & Rea, 2012, p. 169) by comparing the information published in the financial statements against relevant elements of XBRL taxonomies included in the studies.

The purpose of this first step is to identify all reported items that do not have a direct correspondence to the IFRS taxonomies and conclude on the degree of fit between the taxonomies and the reported financial information. Areas of deviation are identified and noted by the researchers as "Elements of Special Attention" or ESAs.

The second step, was to analyse the nature of each mis-fit identified by the researchers. The two main reasons for mis-fit identified were either that

1. no taxonomy tag exists for a line item, or
2. a taxonomy tag exists but it can be mapped to more than one taxonomy line item.

Bovee et al. (2002) and Valentinetti and Rea (2012) reviewed ESAs in the context of the above reasons, and analysed the mis-fit into three groups, namely:

1) *new tag items*: This grouping represents ESAs for which there is sufficient evidence to support the creation of a new tag, as several companies across different industries would be able to use this tag;
2) *firm specific items*: This grouping is for firm or industry specific ESAs that may not necessarily require a new tag in the existing taxonomies; and
3) *grouped items:* This grouping is used for financial statement items that map to more than one taxonomy tag.

3.3.1. Development of checklist

The IFRS taxonomy as developed by the IASB as on 31 March 2016 is incorporated into CIPC's minimum tagging requirements (CIPC, 2019). The expectation is that at "the highest level the whole statutory annual financial statement needs to be tagged with the iXBRL tags" (CIPC, 2019, p. 9). The full IFRS annual taxonomy published by the IASB (IASB, 2016), identified the primary financial statements that were listed in Chapter 2.8.3. These primary financial statements were incorporated in the checklist.

Due to the limited scope of this research study, the tagging of the primary financial statements were considered at a block tagging, or overall financial statement, level and not at a line item level by the researcher. By considering the primary financial statements at this level, the researcher is able to draw conclusions on whether the companies in the research sample will be able to use the IFRS XBRL taxonomies as required by CIPC.

In addition to the IASB's IFRS XBRL taxonomies, CIPC has identified the 46 specific data elements to be tagged in the iXBRL filings for entities submitting statutory filings on or after 1 July 2018 (CIPC, 2019). These elements are presented in Annexure 1 of this research study, and were grouped by the researcher into the following three categories for analysis purposes:

1) sixteen mandatory data elements identified as primarily pertaining to administrative and statutory information;

2) fifteen mandatory data elements identified as primarily pertaining to mandatory financial reporting elements; and

3) fifteen key financial statement line item data elements that are only mandatory if the entity can provide a valid value for the element.

These data elements were downloaded from CIPC and used as the basis to create the data element portion of the checklist (CIPC, 2018).

For each of the 46 mandatory data elements as well as the primary financial statements, the checklist outcomes were defined as either "Yes" or "No". The researcher's definitions of these two checklist outcomes are summarised in Table 3.1 below.

Table 3.1: Definition of checklist outcomes

Checklist outcome	Definition
Yes	The item as defined in the taxonomy matches directly with information currently presented in the annual financial statements.
No	The item as defined in the taxonomy does not match directly with information currently disclosed in the annual financial statements, but is relevant to the reporting entity.

Where the answer was identified as "No", the reasons for the item not being matched with the defined taxonomy data fields (or line items) were further analysed for each of the 46 mandatory data elements, and classified into five sub-categories to provide a more meaningful analysis. The definitions applied to each of these classification categories are summarised in Table 3.2 below.

Table 3.2: Definition of five sub-categories used to classify checklist items that could not be matched directly to taxonomies

Sub-categories where a checklist item could not be matched directly to taxonomies:	**Definition**
Category 1	The taxonomy line item is not reported on by the company in annual financial statements, but a company should be able to identify this value within their business reporting systems. This category of items may indicate additional disclosures required from the sample entity when reporting using the CIPC data model, if they want to tag all data fields to the annual financial statements.
Category 2	The taxonomy line item can be identified or inferred from items presented in the primary financial statements, but it is not a 100% match with taxonomy as defined. This category of items may indicate that the financial statements may have to be amended, or may be linked to the taxonomies, with minimal effort.
Category 3	The taxonomy line item is available in the annual financial statements, but more than one item presented by the entity matches with the data element. This category of item may indicate detail currently presented by the sample entity which will be lost if the financial statements are linked to taxonomies.

Sub-categories where a checklist item could not be matched directly to taxonomies:	Definition
Category 4	The taxonomy line item should be available in the annual financial statements based on statutory reporting requirements, but is not currently presented in the published annual financial statements. This category of item may indicate additional disclosures required of the sample entity when reporting using the CIPC data model.
Category 5	The taxonomy line item can be determined or calculated by adding two or more existing line items that the entity currently reports in their annual financial statements. This category of item may indicate that the financial statements may have to be amended, or may be linked to the taxonomies using formulae applied to existing data.

3.3.2. Checklist additions to allow for explanatory interpretation of research findings

Additional fields were incorporated into the checklist to the extent that information was found to be statistically significant in the studies undertaken by Bovee et al. (2002) and Valentinetti and Rea (2012) and these are highlighted below:

- Industry Classification Benchmark (ICB) listing super-sector, sector, sub-sector, and industry to which the entity belongs. ICB coding is a globally recognised standard that is operated and managed by FTSE Russell for categorising companies and securities across four levels of classification, namely industry, super-sector, sector and sub-sector, and is applied by the JSE;
- auditor(s) of the entity and the type of audit opinion received;

- the nature/type of reports published as investor relations material for the most recent reporting cycle; and
- the format(s) in which most recent annual financial statements were reported online by the entity.

3.4 Sample selection

This study focused on the financial statement reporting practices of the largest listed companies in South Africa. The FTSE/JSE Top 40 Index represents the largest 40 companies listed on the JSE's All-Share Index ranked by market capitalisation before the application of any investability weightings (free-float) (FTSE Russell, 2020; Haji, Marx & Coetsee, 2014). This index represents a sizeable portion of the total market value of the JSE's All-Share Index and is therefore considered to be representative of a wide range of stakeholders' interests in South Africa (Johannesburg Stock Exchange, 2020; Marx & Mohammadali-Haji, 2014; SA Shares, 2020).

The CIPC iXBRL filing requirement being analysed is specifically applicable to companies registered in South Africa, as foreign companies are only required to submit an annual return, but not load iXBRL tagged financial information (CIPC, n.d.f). As such, companies listed on the JSE's All-Share Index on the date that the sample was determined, but not headquartered in South Africa, were specifically excluded from the study. This resulted in the exclusion of 12 companies listed on the JSE that were included in the top 40 entities.

The sample was extended to include the next 12 biggest South African registered entities to maintain a minimum sample size of 40 companies. The ranking of the companies in the sample was determined based on the companies' market capitalisation with reference to closing share prices on Monday 2 July 2018, and was obtained from Sharenet (Sharenet, 2018).

Two of the top 40 South African listed entities, Steinhoff African Rt Ltd and Old Mutual Limited, were only listed during the 12-month period preceding the sample selection date. As there was no published financial statement data available to review for these companies, these two entities were excluded from the sample. The sample was extended to include the next two biggest South African entities in the JSE's All-Share Index to maintain a minimum sample size of at least 40 entities for the purposes of the study.

A comprehensive listing of all JSE listed entities was directly obtained from the JSE Limited indicating the ICB codes used to categorise listed instruments (MDSupport, 2019). This information was analysed to ensure that the sample will be sufficiently representative of all industry sectors in order to draw reasonable conclusions on the South African reporting landscape.

To achieve this, the sample was extended to include at least three entities per ICB industry sector. If the representation was less than three companies per industry sector, the minimum available entities in the industry sector was selected from the top 100 listing of JSE listed entities on Monday 2 July 2018.

This process resulted in a sample of 43 JSE listed entities registered and headquartered in South Africa, with annual financial statements available for review. The sample of companies, with their respective market capitalisation values and ICB industry sector codes, is included in Annexure 4. The process followed to select the final sample is summarised in Table 3.3 below.

The total sample represents 74% of the market value of the JSE's All-Share Index, after excluding the market value of the 12 internationally headquartered companies that are specifically excluded from this study, and provides reasonable coverage of industry sectors. As such, the conclusions drawn from this study should be sufficiently representative of reporting practices by South African entities.

Table 3.3: Summary of process followed to select final sample included in this research study

Description of sample	Number of companies included in sample
FTSE/JSE Top 40 Index	40
Less: Companies not headquartered in South Africa, but listed on the JSE	(12)
	28
Add: Next 12 biggest South African companies listed on JSE[1]	12
Less: Newly listed entities with no annual financial statements available for review	(2)
	38
Add: Next two biggest South African companies listed on JSE[1]	2
	40
Add: Three additional entities, to include a minimum of three entities per ICB industry sector from the top 100 entities listed on JSE[1]	3
	43

Note 1: The top-100 JSE listed entities were used, with company rankings based on the companies' market capitalisation on Monday 2 July 2018.

3.5 Gathering secondary data for analysis

The study was based on the available annual financial statements and integrated reports published by the sample companies at the date that iXBRL reporting became mandatory (1 July 2018). All companies included in the sample had websites and published the data required for the study online and in a downloadable PDF format.

The official corporate website was identified for the sample using a search engine. All companies in the sample had websites. The URL for the websites are documented in Annexure 5 of this research report. The investor relations section on the company website was accessed. The URLs for the portal used to obtain the entities' annual financial statements or integrated reports are reflected in Annexure 5. All reports were available as downloadable documents in PDF format.

On 3 July 2018, the published sets of annual financial statements were downloaded in PDF format, and these represented the documentary secondary data to be reviewed for the purposes of this study. Within the sample, seven companies did not publish separate sets of annual financial statements for the reporting period, but included the annual financial statements as a section within the entity's integrated report. In addition, one company published a full set of the annual financial statements within their integrated report, and made an abridged set of annual financial statements available in their reporting portal as a separate downloadable document. For these eight entities, the integrated reports were downloaded and reviewed. The annual financial statements section of the integrated report was utilised for the purposes of the study.

3.6 Research control

This study analysed annual financial statements or integrated reports for the sample of companies. The analysis was performed with the use of a checklist to evaluate the sample's ability to comply with the iXBRL disclosure model, as required by CIPC. The checklist was developed from reporting guidelines and IFRS taxonomies published by CIPC and the IASB, literature reviewed and from discussions with various industry and academic experts. The content of the annual financial statements or integrated reports was reviewed against this checklist.

The researcher downloaded PDF versions of the annual financial statements or integrated reports of the sample companies on the same date (3 July 2018) to ensure comparability of data and to maintain data integrity. The final annual financial statements were downloaded for the company's last reporting period on or before this date. Integrated reports were only downloaded where the company disclosed a single report for the year, incorporating the full annual financial statements.

The checklist was completed solely by the researcher to avoid unfair bias and to achieve consistency in the interpretation of the research findings. All results were tabled. An independent adjudicator reviewed the captured results for completeness and to ensure the quality and accuracy of the completed checklists.

3.7 Ethical considerations

The secondary data utilised for the purposes of this study was obtained from the sample companies' published websites and are in the public domain. As such consent to use the data in this study was not required.

Approval to conduct the research was obtained from the University of Johannesburg's College of Business and Economics Research Ethics Committee (School of Accountancy Research Ethics Committee). Refer to Annexure 7 for the approval obtained.

3.8 Conclusions

Content analysis to test the secondary data was performed on a sample of 43 JSE listed entities registered and headquartered in South African, with annual financial statements available for review. A comprehensive checklist was utilised. This checklist incorporates both the CIPC's 46 mandatory data elements as well as the IFRS taxonomies as developed by the IASB as on 31 March 2016 to test the data in order to address the research questions highlighted in chapter 1. The next chapter presents the research findings of the study.

Chapter 4: Research findings

4.1 Introduction

The detailed checklist developed to perform the requisite testing were completed in full for all the companies included in the sample for the purposes of this research study. The detailed checklist used by the researcher is provided in Annexure 6. This chapter summarises the findings of the research and an interpretation of these results by the researcher. Where relevant, reference is made to current statutory reporting requirements for South African companies.

First, the sampled companies are analysed by ICB industry sector and auditor, in order to provide insight into the companies included in the sample. Then the detailed findings are presented per section of the checklists completed. The required financial statements presented by the companies are analysed on a financial statement, or block-tag, level based on the IFRS taxonomies. Afterwards, the 46 mandatory elements required by the CIPC are then analysed within three sub-categories, namely company administrative and statutory information, mandatory financial reporting elements and the financial reporting elements that are mandatory only if the entity can provide a valid value for the element.

This chapter concludes by highlighting the elements for which no, or very little, compliance is achieved based on currently reported information contained in the sample companies' annual financial statements. Chapter five highlights the data elements for which the CIPC can consider effecting additional clarification.

4.2 Overview of sample

The 43 companies included in this research study all published a full set of annual financial statements. Eight companies (19%) included their annual financial statements as a separate reporting section at the end of their integrated reports, and did not publish a complete, stand-alone set of financial statements. One of these companies published a summarised, consolidated set of annual financial statement in addition to integrated report. The remaining 35 companies (81%) had prepared and published stand-alone sets of financial statements as separate corporate reports, in addition to their integrated reports. Both the integrated reports and annual financial statements (where relevant) were published in PDF format on the companies' corporate websites as part of the investor relations pages on the websites.

Table 4.1 below summarises the spread of the companies in the sample across the ICB industry sectors of the JSE – the basic materials, consumer services, and financial services sectors had comprehensive representation. The top-100 JSE listed companies at the sample selection date did not include any South African companies from the oil and gas or technology sectors. The lack of representation from these sectors is noted as a limitation of this study in chapter five of this dissertation.

Table 4.2 below indicates who the auditors of the companies included in the sample for the financial year reviewed as part of this study were. Only one company was not audited by one of the "big four" auditing firms. The "big four" are Deloitte and Touch, Ernst and Young, KPMG and PricewaterhouseCoopers, the four largest international audit firm networks (Harber & Marx, 2020). This is also noted as a limitation of this study.

Table 4.1: Spread of the companies in the sample across the ICB industry sectors

Sector	Count	%
Basic Materials	9	20.9
Oil and gas[1]	-	-
Industrials	3	7.0
Consumer Goods	3	7.0
Health Care	3	7.0
Consumer Services	10	23.2
Telecommunications	3	7.0
Financials	12	27.9
Technology[1]	-	-
	43	**100.0**

Note 1: There were no South African companies representing these industry sectors in the top 100 listed entities on the JSE on Monday, 2 July 2018.

Table 4.2: Analysis of auditing firms that audit the companies in the sample

Auditing firm	Count Primary auditor	% Primary auditor	Count Secondary auditor [1]	% Secondary auditor
Deloitte and Touche	7	16.3	1	20.0
Ernst and Young Incorporated	11	25.6	-	-
Grant Thornton	1	2.3	-	-
KPMG Incorporated	8	18.6	1	20.0
PricewaterhouseCoopers Incorporated	16	37.1	2	40.0
SizweNtsalubaGobodo Incorporated	-	-	1	20.0
	43	**100.0**	**5**	**100.0**

Note 1: South Africa's banking regulator requires that big banks must have two external auditors as required by the South African Reserve Bank Act (1989); one non-banking company voluntarily elected to have two auditors.

4.3 Primary financial statement presentation options

The required financial statements presented by the companies are analysed on a financial statement, or block-tag, level based on the IFRS taxonomies, and the findings are summarised in Table 4.3 below. As noted in chapter three, the tagging of the primary financial statements were considered at a block tagging, or overall financial statement, level and not at a line item level by the researcher due to the limited nature of this research study. Based on the findings discussed below, all of the companies in the research sample will be able to use the IFRS XBRL taxonomies as required by CIPC.

a) *Statement of financial position:*

Thirty-three companies (77%) presented current and non-current assets, and current and non-current liabilities, as separate classifications in its statement of financial position. The remaining 10 companies presented a statement of financial position based on liquidity of the line items. Of these 10 companies, nine of the companies are in the financials industry sector.

b) *Statement of profit or loss and other comprehensive income:*

Sixteen companies (37%) elected to present a single, or combined, statement of profit or loss and other comprehensive income, with the majority of the companies (63% or 27 companies) presenting the statement of profit or loss as a separate statement, from the statement of comprehensive income as permitted by IAS 1.

In presenting expenses in the statement of profit or loss, 20 companies (47%) elected to present expenses by function, and 53% presented expenses by nature of the expense items. Companies in the basic resources sector appeared to favour the nature method as this allowed them to present individually significant line items, like impairment losses, separately on the face of the statement.

Four of the sampled companies that elected to present their expenses by nature, included line items that appeared to be a summary by function. These companies may struggle to tag their full statement of profit or loss into the predefined IFRS taxonomies, without making some adjustments and/or aggregating some of the information presented in the statement of profit or loss.

Forty percent of the sample (17 companies) presented their other comprehensive income net of taxation, with the balance of 60% (26 companies) opting to present other comprehensive income gross of tax on the face of the statement of comprehensive income, and including taxation on the face of the statement. Seven of the 26 of companies, explicitly disclose on the face of the statement that other comprehensive income is presented net of tax, yet they presented the gross amount of other comprehensive income on the face of the statement, followed by the taxation consequences of these line items. It therefore seems that there potentially are inconsistencies in how companies interpret the concept of presenting comprehensive income net of tax, which could result in a company inadvertently electing to tag their comprehensive income with the incorrect IFRS taxonomy set for the statement of comprehensive income.

c) Statement of cash flows:

The large majority (36) of the 43 companies in the sample presented the statement of cash flows using the direct method, whereas seven entities chose the indirect method, as allowed by IAS 7 (IASB, 2001). However, of the 36 companies electing to use the direct method, 25 presented a single source of income “cash generated from operations”.

Only 11 companies provided more detail on sources of cash flows, for example cash receipts from customers or payment to suppliers and employees, as discussed in paragraph 14 of IAS 7 (IASB, 2001). The IFRS XBRL taxonomy includes more line items that provide useful detail on source of operating cash flows for companies to potentially tag, before tagging the sub-total “Net cash flows from (used in) operations”. There are 25 companies identified in this research study, as well as other filers who follow the same method of presentation, who may benefit from presenting more detail in statement of cash flows prepared under the direct method. Specifically, they can be more explicit in disclosing the sources of operating cash flows.

d) Statement of changes in equity and additional statements:

All companies in the sample presented a statement of changes in equity. Only four companies presented an additional statement, illustrating value added, or another form of performance statement, as part of the financial statements for the entity. In the sample reviewed, these alternative statements were normally included as part of integrated reporting information, or the sustainable development report, and not as part of the set of financial statements. For consistency, the researcher decided that these statements were only counted as being presented if the information was reported within the annual financial statements.

Table 4.3: Summary of primary financial statement presentation options

Description	Count	%
Statement of financial position:		
Current/non-current presentation	33	77
Order of liquidity presentation	10	23
	43	**100**
Statement of profit or loss and comprehensive income:		
Combined (single statement)	16	37
Profit or loss and comprehensive income presented as two separate statements	27	63
	43	**100**
Expenses in profit or loss presented by:		
Function	20	47
Nature	23	53
	43	**100**
Other comprehensive income components presented:		
Net of tax	17	40
Before tax	26	60
	43	**100**
Statement of cash flows presented using:		
Direct method	36	84
Direct method - clearly identified sources of income	11	26
Direct method - only source of income was "cash generated from operations"	25	58
Indirect method	7	16
	43	**100**
Statement of changes in equity present	**43**	**100**
Statement of changes in net assets available for benefit	**4**	**9**

4.4 Mandatory data elements: Administrative and statutory information

The research findings in respect of the 16 mandatory data elements required to report administrative and statutory information line items defined in the CIPC data model are summarised in Table 4.4 below.

a) *Administrative and statutory information reported by all companies in the sample:*

The only administrative and statutory information reported by all companies within the sample was the "name of designated person responsible for compliance", being the company secretary, whose name was included in the company secretary certificate report. The Companies Act prescribes that all public companies should have a company secretary (Republic of South Africa, 2008, s. 88). The company secretary is required to certify that a public company has lodged with the CIPC all returns required in terms of the Companies Act and to certify that such returns are true, correct and up to date. The finding makes sense in light of the fact that all companies included in the sample are public companies.

b) *Administrative and statutory information not reported by any companies in the sample:*

None of the companies in the sample reported the CIPC customer code or their public interest score (PIS) in the published annual financial statements. This information is not expected to form part of a published set of annual financial statements by any regulatory requirements. The PIS is a calculated value that determines a company's public interest, and the calculation of this score is required by Companies Regulations 26(2) (Republic of South Africa, 2011).

The customer code is a unique company identifier used by the CIPC to identify filers. It is not information which is required, or expected, to be made available in the public domain. It is required by the CIPC though as a means to identify a unique customer account and it is expected in iXBRL filings.

The PIS score determines the type of financial statements that a company should prepare (audited or independently reviewed) and the appropriate financial reporting standards that should be applied in preparing the financial statements (IFRS, IFRS for SMMEs or SA GAAP). It is a function of the average number of employees over a financial year, third-party liabilities, turnover, and the number of shareholders of a company.

As the PIS score is required before a company can prepare its financial statements, it is not a value that is required to be reported in the annual financial statements. However, reporting this score to the CIPC will be critical to validate that companies are reporting the appropriate type of financial statements, and reporting under the appropriate financial reporting framework.

c) *Administrative and statutory information not reported by all companies in the sample:*

a. Company information:

All companies within the sample reported the registered name of the company, whether directly or indirectly by using it in statutory reports. A total of 40 companies (93%) reported the registered name of the company as a stand-alone data item that will enable preparers to tag the data with ease.

Furthermore, 79% (34) of the companies reported the registration number either in the pre-face to the financial statement or in the administrative information provided at the end of the report. The company registration numbers of the remaining nine companies were either reported in the integrated report or could be obtained from the company's investor relations information online.

All companies included in the sample were listed entities, and were therefore classified as public companies under "type of company" (Republic of South Africa, 2008). However, only 28 (65%) stated this explicitly on either the company secretary certificate (27 companies) or in the directors' report (one company). The remaining 35% of the companies should be having this information readily available internally.

b. Principal business and place of business:

Eighty-eight percent of the companies reported their principal business either in the directors' reports or in the introduction to the accounting policies. Therefore, the companies will be able to block-tag this information.

Only 12 companies (28%) reported their principal place of business explicitly, with one company reporting their country of incorporation, which may represent the principal place of business. Companies can include this as additional information either in the directors' report or in administrative information to ease tagging and minimise the need for manual inputs in submission forms. The taxonomy could potentially clarify if this information should be reported at a country level or a lower geographical area, for example a province, region or city.

c. Contact information:

The majority of the companies (81%) reported the full, physical business address of the company and 72% included a postal address. Where this information was not included in the annual financial statements, it was generally included with administrative information reported either in the front cover or at the end of the integrated reports. However, only 16 out of the 43 companies explicitly included the country that the business was situated in as part of the business address. Companies can consider extending the address information to include the country as part of the reported addresses.

Only 12 companies included an email address for the company, with an additional 16 companies providing an email address for either the investor relations department or the company secretary, as part of the administrative information in the published financial statements. The remainder of the companies had electronic contact information either in the integrated report or on the company's website. Considering the current reporting paradigm and the fourth industrial revolution in which we are, this was a surprising and unexpected finding, which is likely to change as technology evolves.

d. Average number of employees:

Only four companies (9%) disclosed the average number of employees in the annual financial statements. Thirteen companies (30%) reported the number of employees at end of the reporting period, whereas the remaining 26 of the sampled companies did not disclose any information on either the average or year-end number of employees with the company. The year-end number of employees are reported on in either the integrated or the sustainable development reports of these entities for the remaining entities in the sample.

The average number of employees appears to be the value that is the least readily available for the companies in the sample that was identified in this research. It indicates a value that companies may want to incorporate in their internal reporting structures, to enable the efficient completion of their CIPC submissions. CIPC requires this value as it is required to calculate a company's PIS, therefore using a year-end value will not meet the regulators' needs.

e. Maximum number of individuals with beneficial interest in securities of company:

Most (84% or 36) of the companies in the sample included a Shareholder Information report as part of the annual financial statements, enabling the researcher to identify a value for the maximum number of individuals with beneficial interest in securities of company data field.

The remaining seven companies reported Shareholder Information in the integrated reports. As this information is required for the CIPC iXBRL filings, it may increase efficiencies if this report is duplicated in the stand-alone annual financial statement to simplify reporting processes for entities.

Table 4.4: Analysis of findings – mandatory data elements: administrative and statutory information

		Checklist outcome				Sub-categories: checklist item not directly matched to taxonomies				
	Data element	**Yes**	**%**	**No**	**%**	**Cat 1**	**Cat 2**	**Cat 3**	**Cat 4**	**Cat 5**
1	Average number of employees	4	9	39	91	26	13	-	-	-
2	Business address, city	36	84	7	16	7	-	-	-	-
3	Business address, country	16	37	27	63	27	-	-	-	-
4	Business address, postal code	36	84	7	16	7	-	-	-	-
5	Business address, street name	35	81	8	19	8	-	-	-	-
6	Customer code	-	0	43	100	43	-	-	-	-
7	Email address of company	12	28	31	72	15	16	-	-	-
8	Full registered name of company	40	93	3	7	3	-	-	-	-
9	Maximum number of individuals with beneficial interest in securities of company, or members in case of non-profit company	36	84	7	16	7	-	-	-	-
10	Name of designated person responsible for compliance	43	100	-	0	-	-	-	-	-
11	Postal address same as business address	31	72	12	28	12	-	-	-	-
12	Principal business of company	38	88	5	12	5	-	-	-	-
13	Principal place of business of company	12	28	31	72	30	1	-	-	-
14	Public interest score	-	0	43	100	43	-	-	-	-
15	Registration number of company	34	79	9	21	9	-	-	-	-
16	Type of company	28	65	15	35	15	-	-	-	-

4.5 Mandatory data elements: Financial reporting elements

The research findings in respect of the 15 mandatory data elements required to report financial reporting element line items defined in the CIPC data model are summarised in Table 4.6 below.

a) *Financial reporting elements reported on by all companies in the sample:*

The following six financial reporting elements were reported by all companies in the sample, and 100% compliance is achievable:

- Date of end of reporting period;
- Declaration of auditor's report presence;
- Description of nature of financial statements;
- Description of presentation currency;
- Level of rounding used in financial statements; and
- Period covered by financial statements.

The date of end of reporting period is pervasive in annual financial statements, and can be tagged from multiple sources. Companies could consider explicitly stating the date up front in financial statements to make the tagging process more efficient, as the researcher could not always identify a stand-alone, defined reporting date that would be suitable for data tagging with relative ease.

The auditor’s reports were present in all financial statements. However, these reports provide assurance over the data reported in the published financial statements, and not on the data loaded onto the CIPC web portal. Assurance of captured data is not currently a requirement of CIPC, but may be an area to research in future periods.

For the purposes of this study it was assumed that “description of nature of financial statements” referred to the accounting framework used to prepare the financial statements. For the sample of companies, this would be full IFRS as issued by the IASB. CIPC can consider clarifying what is expected to be tagged as the “description of nature of financial statements” so that filers interpret and apply this data tag consistently.

Additional data was gathered on the financial reporting elements that provides preparers with presentation choices, to identify the nature and extent of diversity in practice in the financial reporting elements where a company is allowed to choose the reporting element. The CIPC data model will have to be able to accommodate this diversity in practice to be successfully adopted by filers. These findings are discussed, and summarised in Table 4.5.

a. *Presentation currency*

   Of the 43 companies included in this study, 39 elected to use South African Rand (ZAR) as their presentation currency. One company presented their annual financial statement in Euro (€), and three other companies used the US Dollar (US$) as their presentation currency.

b. *Level of rounding*

   Some 35 companies (81%) in the sample companies rounded the values presented in their annual financial statements to the nearest million. Seven companies elected to round to the nearest thousand (‘000), while one company was rounding its financial results to the nearest billion.

c. *Period covered by financial statements*

   Four companies in the sample in the consumer services industry (retail super sector) reported their financial results for 52 or 53 weeks. The remaining 39 companies included in this study reported the financial results for a financial year.

Table 4.5: Summary of diversity in financial reporting elements that have presentation choices

Presentation currency	Count	%
ZAR	39	91
USD	3	7
Euro	1	2
	43	**100**

Level of rounding	Count	%
Thousand	7	16
Million	35	82
Billion	1	2
	43	**100**

Period covered by financial statements	Count	%
Year	39	91
52 weeks	3	7
53 weeks	1	2
	43	**100**

b) Financial reporting elements not reported by all companies in the sample:

a. Directors' reports:

Some 42 of the companies in the sample included a directors' report in the annual financial statements and this allowed tagging of both the declaration of presence of directors' report as well as block tag the actual directors' report when filing. One entity in the sample did not include a directors' report *per se* in the annual financial statements; however, a "statutory information" report was included and it contained all of the key elements of a directors' report as defined in the Companies Act. This company may want to consider renaming this report going forward for efficiency in CIPC filing processes.

One company in the sample did not include a directors' statement of responsibility as a stand-alone report in the annual financial statements, which would make it impossible to block tag the information as required by the CIPC data model. All other entities did include a statement of directors' responsibility that can be tagged. It was not apparent why this report was omitted.

b. Authorisation and publication of financial statements:

All the companies included the date that the financial statements were approved as part of the directors' statement of responsibility or approval of financial statement reports. Thirty-five (81%) of the companies in the sample explicitly reported the date that the annual financial statements were approved by the directors in one of the submitted statements. The eight remaining companies included the signature date at the foot of the statement communicating the approval of the annual financial statements by the directors. It is assumed that this date represents the date of approval of the annual financial statements.

Thirty-three companies in this study included actual signatures by authorised directors of the company in the annual financial statements published in a PDF format on the companies' websites that were used for the purposes of this study. The researcher has observed that it is becoming more common for companies to exclude physical signatures in published financial statements, presumably due to the prevalence of fraud and identity theft (Cassim, 2015). The 10 entities that elected not to publish the directors' signatures will have to upload signed annual financial statements when submitting their statutory reporting documentation to the CIPC.

In contrast to the above, only five companies (12%) in the sample included the date on which the financial statements were published in the annual financial statements. This data should be readily available within an organisation, but will require filers to manually capture these values before submitting iXBRL tagged financial statements to CIPC. As companies move towards the online publication of annual financial statements, this date will be known with certainty and might even coincide with the date that the statements are authorised for issue. In these instances, the publication date could be included in the published results for iXBRL tagging purposes, eliminating the need for manual entries.

c. Preparation of financial statements, and the supervision thereof:

Ninety-five percent (41) of the sampled companies included the name of the individual responsible for the preparation of, or supervising the preparation of, the financial statements. This information could not be identified in two of the companies' annual financial statements.

In addition to these two entities, four of the companies that did disclose the name of the individual responsible for the preparation of, or supervising the preparation of the financial statements, did not include the professional designation of this individual in the annual financial statements. The professional designation of these individuals were included in the directors' information disclosed in the integrated report.

d. Revenue:

The data element with arguably the widest range of outcomes in this research study is the "revenue cast" taxonomy data tag. A total of 63% of the sampled companies presented a single revenue line item that can be directly tagged with no significant efforts, and one company reported two values which need to be added together in order to arrive at an appropriate value to be tagged as revenue.

Seven companies reported items similar to revenue in the statement of profit or loss, using terms like "turnover" or "income". While it is fairly evident that these items represent revenue, these companies may have elected to use this description for a specific purpose. In order to facilitate the reporting process, these seven entities may consider changing the financial statement line item description to "revenue", if practically possible.

Lastly, eight companies reported more than one line item that could potentially be regarded as revenue. Tagging just one of these line items may result in incomplete information being reported when the returns are filed. Aggregating these items together will potentially result in loss of information, which the reporting entity may deem important. These entities were mainly from the financial services industry sector. The taxonomy definition of revenue may need to be refined for different industry sectors in consultation with those sectors, to achieve useful, comparable reporting. In its frequently asked questions publication (CIPC, n.d.d), CIPC has clarified that companies should tag all items that can potentially be considered revenue as revenue.

Table 4.6: Analysis of findings - mandatory data elements: financial reporting elements

		Checklist outcome				Sub-categories: checklist item not directly matched to taxonomies				
	Data element	**Yes**	**%**	**No**	**%**	**Cat 1**	**Cat 2**	**Cat 3**	**Cat 4**	**Cat 5**
1	Date of approval of annual financial statements	35	81	8	19	-	5	-	-	-
2	Date of end of reporting period	43	100	-	-	-	-	-	-	-
3	Date of publication of financial statements	5	12	38	88	38	-	-	-	-
4	Declaration of auditor's report presence	43	100	-	-	-	-	-	-	-
5	Declaration of directors’ report presence	42	98	1	2	-	1	-	-	-
6	Declaration of signature by authorised director	33	77	10	23	10	-	-	-	-
7	Description of nature of financial statements	43	100	-	-	-	-	-	-	-
8	Description of presentation currency	43	100	-	-	-	-	-	-	-
9	Disclosure of directors' report [text block]	42	98	1	2	-	1	-	-	-
10	Disclosure of directors' responsibility [text block]	42	98	1	2	-	-	-	1	-
11	Level of rounding used in financial statements	43	100	-	-	-	-	-	-	-
12	Name of individual responsible for preparation or supervising preparation of financial statements	41	95	2	5	-	-	-	2	-
13	Period covered by financial statements	43	100	-	-	-	-	-	-	-
14	Professional designation of individual responsible for preparation or supervising preparation of financial statements	37	86	6	14	4	-	-	2	-
15	Revenue cast	25	58	18	42	-	8	10	-	-

4.6 Data elements only mandatory if valid value for the element exists: Key financial statement line items

The research findings in respect of the 15 key financial statement line items defined in the CIPC data model is summarised in Table 4.7 below.

Of the financial performance measures required as voluntary disclosure if the company does report the value, all 43 companies in the sample disclosed nine out of the 15 line items. These nine line items are:

- Profit (loss)
- Comprehensive income
- Assets
- Equity
- Equity and liabilities
- Cash flows from (used in) operating activities
- Cash flows from (used in) investing activities
- Cash flows from (used in) financing activities
- Increase (decrease) in cash and cash equivalents.

The remaining six line items that not all entities in the sample reported on are further discussed below.

a) Profit or loss and other comprehensive income line items:

Two entities in the sample presented both direct and indirect taxes, and one of the two entities presented both profit before direct tax and profit before indirect tax. If the company was required to link this disclosure to the taxonomy line items “profit (loss) before tax” and “tax expense (income), continuing operations” some of the disaggregated detail that the entity elected to present on the face of its statement of profit or loss may be lost in the iXBRL reported data.

b) *Statement of financial position line items:*

Just over half of the sample entities (25 companies or 58%) reported a value for total liabilities. The remainder of the entities (42%) reported a current and or non-current liability subtotal that can be combined in order to provide a total liability value.

c) *Statement of changes in equity line items:*

None of the entities in the sample reported a total value for net changes in equity for the year that can be tagged. However, this movement can be calculated by the filers based on the total values disclosed in the statement of changes in equity. This calculated value will then have to be tagged manually. It was noted that some companies disclosed sub-totals for the total changes in equity from comprehensive (loss)/income and the total change in equity from transactions with shareholders and non-controlling that are recorded directly in equity as two separate sub-totals on the face of the statement of change in equity. Companies may amend future financial statements to include the net movement in equity and to simplify financial statement tagging.

d) *Statement of changes in cash flow line items:*

One entity referred to "cash and cash equivalents" as "cash resources" in the statement of cash flows. This line item represented cash and cash equivalents, and indicate that the entity may need to consider aligning their presentation with the taxonomy for ease of referencing.

Table 4.7: Analysis of findings - data elements only mandatory if valid value for the element exists: key financial statement line items

		Checklist outcome				Sub-categories: checklist item not directly matched to taxonomies				
	Data element	**Yes**	**%**	**No**	**%**	**Cat 1**	**Cat 2**	**Cat 3**	**Cat 4**	**Cat 5**
1	Profit (loss) before tax	42	98	1	2	-	-	1	-	-
2	Tax expense (income), continuing operations	41	95	2	5	-	-	2	-	-
3	Profit (loss)	43	100	-	-	-	-	-	-	-
4	Comprehensive income	43	100	-	-	-	-	-	-	-
5	Other comprehensive income	32	74	11	26	-	-	-	-	11
6	Assets	43	100	-	-	-	-	-	-	-
7	Equity	43	100	-	-	-	-	-	-	-
8	Liabilities	25	58	18	42	-	-	-	-	18
9	Equity and liabilities	43	100	-	-	-	-	-	-	-
10	Increase (decrease) in equity	-	-	43	100	-	-	-	-	43
11	Cash flows from (used in) operating activities	43	100	-	-	-	-	-	-	-
12	Cash flows from (used in) investing activities	43	100	-	-	-	-	-	-	-
13	Cash flows from (used in) financing activities	43	100	-	-	-	-	-	-	-
14	Increase (decrease) in cash and cash equivalents	43	100	-	-	-	-	-	-	-
15	Cash and cash equivalents	42	98	1	2	-	1	-	-	-

4.7 Conclusion

In this chapter, the results from the analysis of the 43 companies' financial statements for the potential of compliance with the 46 minimum, mandatory data elements identified in the CIPC data model were tabled and discussed. A checklist was used to assess if the data elements could be identified in the published set of financial statements for each company in the sample.

All companies reported their primary financial statements using a statement that is defined in the full IFRS taxonomy issued by the IASB and mandated by CIPC. The statement potentially requiring the most work from a tag in perspective will likely be the statement of profit or a loss, as a number of companies elected to present the statement of profit or loss by Function, but would still include selected items as significant for disclosure on the face of the statement of profit or loss. The inclusion of these additional line items could make it difficult to tag said financials into a predefined statement format.

Of the 46 data elements in the CIPC data model that were the subject of this study, 33 line items could be matched directly to information already presented by companies in their annual financial statements in at least 75% (32) of the companies included in the study. Three data elements were not in the annual financial statements of any of the companies in the sample. The companies in the sample disclosed the remaining 10 data elements on an inconsistent basis in the annual financial statements.

The next chapter provides a summary of the findings from this study. The researcher also identifies potential data model line items that could be clarified by the CIPC in future versions of the model and these are discussed in the concluding chapter.

Chapter 5: Conclusion

5.1 Introduction

The widespread adoption of XBRL as a financial reporting language by both regulators and preparers of financial statements creates significant opportunities for increasing both the usefulness and compatibility of financial information globally. It could also potentially result in timely analysis of financial data, ultimately resulting in more timely and meaningful investment, economic decision-making and more effective and efficient regulation of financial markets (CIPC, n.d.c).

The adoption and understanding of XBRL as a reporting language and meaningful business tool in South Africa was still in its infancy stages at the time that this study was carried out. However, this is expected to change since the mandatory filing of annual returns to the CIPC in iXBRL format by South African companies from 1 July 2018 onwards (CIPC, n.d.c).

This chapter provides a brief overview of the research study, including a summary of the research findings. It includes recommendations for clarification of elements included in the CIPC data model. The chapter concludes by noting the most significant limitations inherent in this study, and providing recommendations on areas of future research in the field.

5.2 Overview of research

CIPC regulated that all South African companies registered with CIPC start submitting their minimum statutory compliance documentation digitally using an iXBRL data model from 1 July 2018 onwards. This data model incorporates the IASB's IFRS 2016 Taxonomies for XBRL financial reporting, as well as 46 minimum reporting iXBRL tagging items being mandated by CIPC in its iXBRL data model. This is the first time that most South African registered entities will be required to report in iXBRL.

This study primarily aimed at identifying how many of the 46 minimum reporting iXBRL tagging items being mandated are readily available in the published electronic annual financial statements and/or integrated reports of a sample of 43 Johannesburg Stock Exchange (JSE) listed South African registered companies at the date that iXBRL reporting became mandatory (1 July 2018).

The literature review done in this study indicated that there are significant benefits associated with XBRL reporting globally. CIPC's minimum reporting requirements were appropriately informed by the statutory requirements as set out in the Companies Act and Companies Regulations relevant to South African companies, as well as the disclosure requirements and principles for companies reporting under IFRS as issued by the IASB.

A sample of 43 South African companies were identified for the purposes of this study. All companies published their annual financial statements in a PDF format online – either as a stand-alone publication or incorporated into the company's integrated reports. These documents were downloaded and analysed by the researcher for the purposes of this study.

A checklist was developed as a research tool using the CIPC's and IASB's published iXBRL data models. The financial statements were empirically analysed using content analysis as the research strategy (see chapter 3) against the minimum reporting requirements that CIPC mandated on the initial adoption date of 1 July 2018. The analysis was done to determine the potential for iXBRL compliance by the companies included in this study.

5.3 Summary of findings

All companies included in this study reported their primary financial statements using a statement that is defined in the full IFRS taxonomy issued by the IASB and mandated by CIPC. The two areas in the primary financial statements identified as potentially requiring the most consideration for preparers from an iXBRL tagging perspective seem to be the other comprehensive income components in the statement of comprehensive income and the statement of cash flows presented using the direct method. This conclusion was reached because, first, seven of the 26 companies that explicitly disclosed on the face of the statement of comprehensive income that other comprehensive income components were presented net of tax actually presented the gross amount of other comprehensive income on the face of the statement, followed by the taxation consequences of these line items.

Secondly, of the 36 companies in the sample that presented the statement of cash flows using the direct method, 25 presented a single source of income ("cash generated from operations"). These companies did not present the additional detail that the IFRS XBRL taxonomy requires on sources of operating cash flows that companies can potentially tag, before tagging what is in essence a sub-total "net cash flows from (used in) operations". The companies identified in this research study, as well as other filers who follow the same method of presentation, may benefit from rethinking their disclosure in light of the full IFRS XBRL taxonomies.

For the 46 mandatory data elements included in the CIPC's data model, which was the primary focus of this study, the researcher used a checklist to assess if these data elements could be identified in the published set of financial statements for each company included in the sample, using a Yes/No approach. Where a specific disclosure data element could not be identified in the annual financial statements, the reason for this was further investigated using five categories as discussed in chapter three of this study. In summary, the five categories were:

1. Category 1: Line item was not reported but value should be obtainable from a company's business reporting systems.
2. Category 2: Line item can be identified or inferred from items presented, but is not a 100% match to the taxonomy in the data model.
3. Category 3: Line item is available in the annual financial statements, but more than one item presented by the entity matches the data element.

4. Category 4: Line item should be available in the annual financial statements based on statutory reporting requirements, but is currently not presented in the published annual financial statements.
5. Category 5: Line item can be determined or calculated by combining two or more existing line items that the entity currently reports on in their annual financial statements.

The most inconsistencies in reporting were noted in respect of the 16 mandatory data elements that primarily pertain to administrative and statutory information. Only one of these 16 data elements was reported on by all 43 companies included in this study. On the other hand, at least 95% of the companies in sample reported on ten of the 15 mandatory data elements that primarily pertain to financial reporting elements, as well as three of the 15 key financial statement line item data elements that are only mandatory if the entity can provide a valid value for the element.

Thirty-three of the line items in the data model could be matched directly to information already presented by companies in their annual financial statements in at least 75% (32) of the companies included in the study. Three of the data elements were not reported on by any companies in the sample. Two of these were administrative in nature (the CIPC customer code and PIS score of the entity) and the other represents a subtotal that none of the companies appear to report on currently (the net increase/decrease in equity). The total movement in equity can be calculated by filers based on the total values disclosed in the statement of changes in equity. This calculated value will then have to be tagged manually. Entities may have to consider adding a subtotal in the statement of changes in equity to make the tagging process more efficient.

The remaining 10 data elements potentially represent areas where companies may need to modify existing published financial statements if they would like to tag the financial statements directly on an annual basis, without having to include manual values or relying extensively on additional formulas when filing. As high as 100% compliance with two of these line items can be achieved by including a sub-total for liabilities in the statement of financial position (currently reported by 58% of the companies) and a sub-total for other comprehensive income (currently reported by 74% of the companies).

The most significant of these line items are the total revenue and the date on which the financial statements were published. Revenue remains a significant financial value in decision making for investors and other stakeholders (Kasztelnik, 2015). The CIPC has clarified that all items that can potentially be considered to be revenue should be tagged as revenue by companies, and that revenue should be "determined in accordance with Section 223 of the Companies Act, read with Regulation 164. The calculation should be in accordance with IFRS 15 and IAS 18, depending on the nature of income" (CIPC, n.d.d., p. 36, 38). The Companies Act specifically requires companies to disclose the date on which the statements were produced in the annual financial statements (Republic of South Africa, 2008, s. 29(1)(d)).

5.4 Recommendations: clarifying the CIPC data model taxonomy definitions

When using the iXBRL defined checklist, the researcher did note that certain data tags specifically pertaining to financial information, could potentially be more clearly defined and/or refined to provide reporters with more clarity on which items the CIPC requires filers to tag. The following instances that would benefit from clarification were specifically noted when the researcher used the data elements:

1. The "description of nature of financial statements" taxonomy definition is potentially vague, especially to less sophisticated reporters. CIPC could consider defining this tag item with more clarity to assist users to tag the correct information.

2. Currently, only "tax expense (income), continuing operations" is explicitly required to be a value calculated on continued operations. The taxonomy does not specify if other items of profit or loss and other comprehensive line items that are required to be tagged should be values for continued operations, discontinued operations, or a total values for the reporting entity.

3. For a “cash and cash equivalents” it is not clear if an opening or closing balance is expected to be tagged by reporters, as both values are presented in the statement of cash flows for all entities in the sample. For the purposes of this research, it was assumed to be referring to closing balances.

4. All entities in the sample reported a net cash flow measurement “increase (decrease) in cash and cash equivalents” for the reporting period. However, all entities in the sample with foreign operations included exchange movement on translations as an additional line item reconciling opening to closing cash and cash equivalents.

   Five entities also reported additional reconciling items in respect of cash generated from non-current assets held for sale, cash and cash equivalents for disposal groups/discontinued operations, and/or net monetary gains on cash and cash equivalents resulting from having operations in a hyper-inflationary environment.

   The checklist should clarify if companies are expected to include these additional changes in net cash and cash equivalents year-on-year as part of this line item. If it were the CIPC’s intention to use data analytics to reconcile prior-year cash and cash equivalents to current year balances based on reported movements in reported cash and cash equivalents, it would be advisable to include an additional line item for movements in cash and cash equivalents not directly arising from operating, investing or financing activities.

5.5 Limitations of the study

Due to the limited scope and nature of this study, the research focused on a final sample of the top 43 JSE listed companies registered in South Africa only. The sample also did not have representation from the oil and gas or technology ICB sectors, and 42 of the companies were audited by one of the big four audit firms. As such, the findings might not necessarily be representative of the financial reporting practices of smaller listed companies or unlisted entities, who are also required to make annual iXBRL submissions to CIPC.

The research findings are based on content published by the sample of companies at a point in time, being the last published set of annual financial statements issued by the sample entities on or before 1 July 2018. They do not reflect reporting and disclosure changes made by the sample companies after this date.

The CIPC has issued amendments to the data model after 1 July 2018. This study did not consider these amendments in the testing performed, and the findings documented in this study provide commentary on the sample companies' ability to comply with the minimum reporting on 1 July 2018.

Lastly, content analysis, as a research methodology, may have specific limitations, such as the risk of capturing an incomplete picture (Unerman, 2000). However, there is extensive literature that supports and recognises content analysis as an effective research instrument for analysing the characteristics of a population (Abeysekera, 2007; Ackers, 2009; April, Bosma & Deglon, 2003; Barack & Moloi, 2010; Boesso & Kumar, 2007; Brennan & Solomon, 2008; Stemler, 2001).

5.6 Recommendations for future research

The XBRL IFRS taxonomy model can be analysed against South African companies' financial reporting practices to identify for inclusion in the model line items that are potentially pervasive across industry sectors and not currently incorporated in the taxonomies.

This analysis can also be focused on industry specific practices, for example focusing on the model's inclusivity of the South African financial services or basic resources presentation practices. Research in this area can make recommendations that could explore the viability of IFRS XBRL taxonomy models specifically tailored to specialised industries and provide an opportunity for insights into industry specific reporting trends and practices.

The adoption of XBRL reporting by South African companies, and XBRL reporting practices in South Africa, presents an area ripe with potential for future research. Research aspects may include, but are not limited to:

- expanding this study to include smaller, listed and unlisted entities in order to compare, analyse and potentially contrast the differences in XBRL compliance, disclosure and attitudes between these entities and the larger listed entities included in this research study;
- the ongoing development of CIPCs data model and the drivers underpinning these changes, as well as the impact of these changes on CIPC filers' and their published annual financial statements;
- qualitative research investigating CIPC filers' experiences in adopting the CIPC data model on a case-study basis;
- a follow-up study after the roll-out of the mandatory iXBRL filing processes, and
- development of iXBRL reporting tools by software service providers' experiences in adopting the model, and developing appropriate solutions.

An analysis of the impact of the mandatory, regulated adoption of the CIPC's data model on the nature and extent of financial statement disclosures provided by South African companies could also provide a meaningful contribution to the field of economic regulation theory. Lastly, as the field of research into XBRL reporting practice continues globally, and the adoption of XBRL becomes even more widespread, additional studies like that undertaken by Perdana *et al.* (2015) to synthesise the volume of research being produced in this area, would be both meaningful and useful for the research fraternity at large.

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Annexure 1: Summary of 46 data elements identified in the CIPC data model

(CIPC, 2018; CIPC, 2019)

a) Sixteen of the 31 mandatory data elements identified by the researcher as primarily pertaining to administrative and statutory information

(items listed in alphabetical order)	
1	Average number of employees
2	Business address, city
3	Business address, country
4	Business address, postal code
5	Business address, street name
6	Customer code
7	Email address of company
8	Full registered name of company
9	Maximum number of individuals with beneficial interest in securities of company, or members in case of non-profit company
10	Name of designated person responsible for compliance
11	Postal address same as business address
12	Principal business of company
13	Principal place of business of company
14	Public interest score
15	Registration number of company
16	Type of company

b) Fifteen of the 31 mandatory data elements identified by the researcher as primarily pertaining to mandatory financial reporting elements

(*items listed in alphabetical order*):	
1	Date of approval of annual financial statements
2	Date of end of reporting period
3	Date of publication of financial statements
4	Declaration of auditor's report presence
5	Declaration of directors' report presence
6	Declaration of signature by authorised director
7	Description of nature of financial statements
8	Description of presentation currency
9	Disclosure of directors' report [text block]
10	Disclosure of directors' responsibility [text block]
11	Level of rounding used in financial statements
12	Name of individual responsible for preparation or supervising preparation of financial statements
13	Period covered by financial statements
14	Professional designation of individual responsible for preparation or supervising preparation of financial statements
15	Revenue cast

c) Fifteen data elements that are only mandatory if the entity can provide a valid value for the element: Key financial statement line items

(Items listed in the order that they would appear in the financial statements)	
1	Profit (loss) before tax
2	Tax expense (income), continuing operations
3	Profit (loss)
4	Comprehensive income
5	Other comprehensive income
6	Assets
7	Equity
8	Liabilities
9	Equity and liabilities
10	Increase (decrease) in equity
11	Cash flows from (used in) operating activities
12	Cash flows from (used in) investing activities
13	Cash flows from (used in) financing activities
14	Increase (decrease) in cash and cash equivalents
15	Cash and cash equivalents

Annexure 2: South African XBRL member organisations

(XBRL International, n.d.b)

Regulatory bodies:	
Companies and Intellectual Property Commission	
Financial Services Board	
JSE Limited	
South African Institute of Chartered Accountants	
South African Reserve Bank	
Audit firms:	
Deloitte (South Africa)	Ernst & Young (South Africa)
KPMG (South Africa)	PricewaterhouseCoopers (South Africa)
Financial institutions:	
Alexander Forbes	First Rand Bank[1]
Investec Private Bank	Nedbank Limited[1]
Standard Bank[1]	
Other:	
Adept Advisory	AngloGold Ashanti Limited[1]
CQS	Gold Fields Limited Mining Services LTD[1]
INCE (PTY) LTD	Infinity Rep Solutions (PTY) LTD

1 *The XBRL member organisation was included in the sample analysed for this research study.*

Annexure 3: Amendments to 2017 and 2018 IFRS Taxonomies

(IASB, 2016; IASB, 2017; IASB, 2018a)

Amendments	Impact on IFRS Taxonomy for primary annual financial statements
IFRS Taxonomy 2016 to IFRS Taxonomy 2017 (published 9 March 2017) (IASB, 2016; IASB, 2017) 1) Disclosure Initiative (Amendments to IAS 7 *Cash Flow Statements*), issued by IASB in January 2016; 2) Applying IFRS 9 *Financial Instruments* with IFRS 4 *Insurance Contracts* (Amendments to IFRS 4), issued by IASB in September 2016; and 3) New common practice for agriculture, leisure, franchises, retail and financial institutions.	No impact on primary annual financial statements element labels.
IFRS Taxonomy 2016 to IFRS Taxonomy 2018 (published 16 March 2018): (IASB, 2016; IASB, 2018a) 1) IFRS 17 *Insurance Contracts* issued by IASB in May 2017; 2) Prepayment Features with Negative Compensation (Amendments to IFRS 9) issued by IASB in October 2017; and 3) Annual improvements to IFRS Taxonomy such as: - an enhanced data model for reporting relating to continuing and discontinued operations, - changes to better reflect disclosures in IAS 19 *Employee Benefits*, and - disclosures in IFRS 7 Financial Instruments: Disclosures.	Numerous additions to primary annual financial statements element labels resulting from IFRS 17 *Insurance Contracts*. All amendments are only effective for annual reporting periods commencing on or after 1 January 2021.

Annexure 4: Summary of companies included in this study

JSE Rank [1]	Sample Rank [2]	JSE Code	Full Registered Name	Country of Incorporation	Industry	Super Sector
1		ANH	Anheuser-Busch InBev SA/NV	BEL	Consumer Goods	Food and Beverage
2		BTI	British American Tobacco plc	UK	Consumer Goods	Personal and Household Goods
3	1	NPN	Naspers Limited	RSA	Consumer Services	Media
4		GLN	Glencore plc	UK	Basic Materials	Basic Resources
5		BIL	BHP Billiton Plc	UK	Basic Materials	Basic Resources
6		CFR	Compagnie Financière Richemont SA	CHE	Consumer Goods	Personal and Household Goods
7		AGL	Anglo American plc	UK	Basic Materials	Basic Resources
8	2	FSR	FirstRand Limited	RSA	Financials	Banks
9	3	SBK	Standard Bank Group Limited	RSA	Financials	Banks
10	4	SOL	Sasol Limited	RSA	Basic Materials	Chemicals
11	5	VOD	Vodacom Group Limited	RSA	Telecomms.	Telecomms.
12	6	MTN	MTN Group Limited	RSA	Telecomms.	Telecomms.
13		S32	South32 Limited	AUS	Basic Materials	Basic Resources
14	7	SLM	Sanlam Limited	RSA	Financials	Insurance
15		MNP	Mondi plc	UK	Basic Materials	Basic Resources

JSE Rank [1]	Sample Rank [2]	JSE Code	Full Registered Name	Country of Incorporation	Industry	Super Sector
16		OMU	Old Mutual Limited	RSA [3]	Financials	Insurance
17	8	BGA	Barclays Africa Group Limited [4]	RSA	Financials	Banks
18	9	SHP	Shoprite Holdings Limited	RSA	Consumer Services	Retail
19	10	NED	Nedbank Group Limited	RSA	Financials	Banks
20		OML	Old Mutual plc	UK	Financials	Insurance
21	11	APN	Aspen Pharmacare Holdings Limited	RSA	Health Care	Health Care
22	12	RMH	RMB Holdings Limited	RSA	Financials	Banks
23	13	REM	Remgro Limited	RSA	Industrials	Industrial Goods and Services
24	14	CPI	Capitec Bank Holdings Limited	RSA	Financials	Banks
25	15	DSY	Discovery Limited	RSA	Financials	Insurance
26	16	AMS	Anglo American Platinum Limited	RSA	Basic Materials	Basic Resources
27	17	KIO	Kumba Iron Ore Limited	RSA	Basic Materials	Basic Resources
28	18	BID	Bid Corporation Limited	RSA	Consumer Services	Retail
29	19	GRT	Growthpoint Properties Limited	RSA	Financials	Real Estate
30		HMN	Hammerson Plc	UK	Financials	Real Estate
31		NRP	NEPI Rockcastle plc	UK	Financials	Real Estate

JSE Rank [1]	Sample Rank [2]	JSE Code	Full Registered Name	Country of Incorporation	Industry	Super Sector
32		MEI	Mediclinic International plc	UK	Health Care	Health Care
33		INP	Investec plc	UK	Financials	Financial Services
34	20	BVT	The Bidvest Group Limited	RSA	Industrials	Industrial Goods and Services
35	21	TBS	Tiger Brands Limited	RSA	Consumer Goods	Food and Beverage
36	22	RDF	Redefine Properties Limited	RSA	Financials	Real Estate
37	23	MRP	Mr Price Group Limited	RSA	Consumer Services	Retail
38		SRR	Steinhoff Africa Retail Limited	RSA [3]	Consumer Services	Retail
39	24	WHL	Woolworths Holdings Limited	RSA	Consumer Services	Retail
40	25	RMI	Rand Merchant Investment Holdings Limited	RSA	Financials	Financial Services
41	26	SAP	Sappi Limited	RSA	Basic Materials	Basic Resources
42	27	PSG	PSG Group Limited	RSA	Financials	Financial Services
43	28	CLS	Clicks Group Limited	RSA	Consumer Services	Retail
44		RNI	Reinet Investments SCA	LUX	Financials	Investment Instruments
45	29	ANG	AngloGold Ashanti Limited	RSA	Basic Materials	Basic Resources
46	30	EXX	Exxaro Resources Limited	RSA	Basic Materials	Basic Resources

JSE Rank [1]	Sample Rank [2]	JSE Code	Full Registered Name	Country of Incorporation	Industry	Super Sector
47		ITU	Intu Properties plc	UK	Financials	Real Estate
48		CCO	Capital and Counties Properties PLC	UK	Financials	Real Estate
49	31	MND	Mondi Limited	RSA	Basic Materials	Basic Resources
50	32	TFG	The Foschini Group Limited	RSA	Consumer Services	Retail
51	33	ASR	Assore Limited	RSA	Basic Materials	Basic Resources
52	34	NTC	Netcare Limited	RSA	Health Care	Health Care
53	35	IPL	Imperial Holdings Limited	RSA	Industrials	Industrial Goods and Services
54	36	GFI	Gold Fields Limited	RSA	Basic Materials	Basic Resources
55	37	AVI	AVI Limited	RSA	Food Products	Food Producers
56	38	PIK	Pick n Pay Stores Limited	RSA	Consumer Services	Retail
57	39	LHC	Life Healthcare Group Holdings Limited	RSA	Health Care	Health Care
58	40	SPP	The SPAR Group Limited	RSA	Consumer Services	Retail
59	41	TRU	Truworths International Limited	RSA	Consumer Services	Retail
60 – 65	*Representing entities for which there are at least three companies within the Industry sector identified and/or companies that are incorporated outside of South Africa and do not report to CIPC*					

JSE Rank [1]	Sample Rank [2]	JSE Code	Full Registered Name	Country of Incorporation	Industry	Super Sector
66	42	DST	Distell Group Limited	RSA	Consumer Goods	Food and Beverage
67 – 72	*Representing entities for which there are at least three companies within the Industry sector identified and/or companies that are incorporated outside of South Africa and do not report to CIPC*					
73	43	TKG	Telkom SA SOC Limited	RSA	Telecomms.	Telecomms.
73 – 100	*Representing entities for which there are at least three companies within the Industry sector identified and/or companies that are incorporated outside of South Africa and do not report to CIPC*					

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AUS	*Australia*	*RSA*	*Republic of South Africa*
BEL	*Belgium*	*Telecomms.*	*Telecommunications*
CHE	*Switzerland*	*UK*	*United Kingdom*
LUX	*Luxembourg*		

Footnotes to Annexure 4:

1 *Company rank on the JSE based on market capitalisation on Monday, 2 July 2018.*

2 *Companies included for research purposes and their ranking JSE based on market capitalisation on Monday, 2 July 2018.*

3 *South African companies that were newly listed on the JSE in the 12 months preceding the research date for which no financial statements are available for review purposes.*

4 *Barclays Africa Group Limited was officially renamed Absa Group Limited and started trading under its new name and new share code (ABG) on the Johannesburg Stock Exchange from 11 July 2018.*

Annexure 5: Web addresses of companies included in this study

	Full Registered Name (Alphabetical order)	Main web address	Web address for investor relations reports
1	Anglo American Platinum Limited	http://www.angloamericanplatinum.com/	https://www.angloamericanplatinum.com/investors/annual-reporting
2	AngloGold Ashanti Limited	http://www.anglogoldashanti.com/	https://www.anglogoldashanti.com/investors/annual-reports/
3	Aspen Pharmacare Holdings Limited	https://www.aspenpharma.com/	https://www.aspenpharma.com/investor-information/
4	Assore Limited	http://www.assore.com/	http://www.assore.com/annual-reports/
5	AVI Limited	http://www.avi.co.za/	http://www.avi.co.za/investor/results-and-presentations/annual-reports/
6	Barclays Africa Group Limited [1]	https://www.absa.africa/absaafrica/	https://www.absa.africa/absaafrica/investor-relations/
7	Bid Corporation Limited	http://www.bidcorpgroup.com/	http://www.bidcorpgroup.com/results-centre.php
8	Capitec Bank Holdings Limited	http://www.capitecbank.co.za/	https://www.capitecbank.co.za/investor-relations
9	Clicks Group Limited	http://www.clicksgroup.co.za/	https://www.clicksgroup.co.za/investor-relations/ir-financial-results.html
10	Discovery Limited	http://www.discovery.co.za/	https://www.discovery.co.za/corporate/investor-relations
11	Distell Group Holdings	https://www.distell.co.za/home/	https://www.distell.co.za/investor-centre/annual-report/
12	Exxaro Resources Limited	http://www.exxaro.com/	http://exxaro-reports.co.za/reports/ar-2017/downloads.php

	Full Registered Name (Alphabetical order)	Main web address	Web address for investor relations reports
13	FirstRand Limited	http://www.firstrand.co.za/	https://www.firstrand.co.za/investors/key-facts-and-important-dates/
14	Gold Fields Limited	http://www.goldfields.co.za/	https://www.goldfields.com/financial-reports.php
15	Growthpoint Properties Limited	https://growthpoint.co.za/	https://growthpoint.co.za/Pages/Investor-Relations.aspx
16	Imperial Holdings Limited	http://www.imperial.co.za/	http://www.imperial.co.za/inv-afs.php
17	Kumba Iron Ore Limited	http://www.angloamericankumba.com/	https://www.angloamericankumba.com/investors/annual-reporting/reports-archive/2017
18	Life Healthcare Group Holdings Limited	http://www.lifehealthcare.co.za/	https://www.lifehealthcare.co.za/investor-relations/results-and-reports/
19	Mondi Limited	https://www.mondigroup.com/en/home/	https://www.mondigroup.com/en/investors/results-and-reports/
20	Mr Price Group Limited	http://www.mrpricegroup.com/	http://www.mrpricegroup.com/mr-price-group-investor-relations.aspx?loc=rr
21	MTN Group Limited	http://www.mtn.com/	https://www.mtn.com/en/investors/financial-reporting/integrated-reports/Pages/default.aspx
22	Naspers Limited	http://www.naspers.com	http://www.naspers.com/investors/
23	Nedbank Group Limited	https://www.nedbank.co.za/	https://www.nedbank.co.za/content/nedbank/desktop/gt/en/investor-relations/information-hub.html

	Full Registered Name (Alphabetical order)	Main web address	Web address for investor relations reports
24	Netcare Limited	http://www.netcare.co.za/	http://www.netcare.co.za/Netcare-Investor-Relations/Reports/-Annual-reports
25	Pick n Pay Stores Limited	http://www.picknpay.co.za/	https://www.picknpayinvestor.co.za/
26	PSG Group Limited	http://psggroup.co.za/	http://psggroup.co.za/investor-relations/reports/
27	Rand Merchant Investment Holdings Limited	http://www.rmih.co.za/	http://www.rmih.co.za/investor-relations
28	Redefine Properties Limited	http://www.redefine.co.za/	https://www.redefine.co.za/investors/integrated-reports/latest-integrated-reports
29	Remgro Limited	http://www.remgro.com/	https://remgro.com/investor-centre/results-and-reports/
30	RMB Holdings Limited	https://www.rmh-online.co.za/	http://www.rmh-online.co.za/stakeholder-relations/integrated-reports/
31	Sanlam Limited	http://www.sanlam.co.za/	https://www.sanlam.com/investorrelations/Pages/default.aspx
32	Sappi Limited	http://www.sappi.com/	https://www.sappi.com/investors
33	Sasol Limited	http://www.sasol.com/	https://www.sasol.com/investor-centre/financial-reporting/annual-financial-statements/archive
34	Shoprite Holdings Limited	http://www.shopriteholdings.co.za/	https://www.shopriteholdings.co.za/investor-centre.html

	Full Registered Name (Alphabetical order)	Main web address	Web address for investor relations reports
35	Standard Bank Group Limited	http://www.standardbank.co.za/	https://reporting.standardbank.com/results-reports/financial-results/
36	Telkom SA Limited	https://www.telkom.co.za/	https://www.telkom.co.za/ir/
37	The Bidvest Group Limited	https://www.bidvest.co.za/	https://www.bidvest.co.za/integrated-annual-report-archive.php
38	The Foschini Group Limited	https://www.tfg.co.za/home	https://tfglimited.co.za/investor-information/financial-reports-and-presentations/
39	The SPAR Group Limited	https://www.spar.co.za/	http://investor-relations.spar.co.za/
40	Tiger Brands Limited	http://www.tigerbrands.com/	https://www.tigerbrands.com/investor/resultscentre
41	Truworths International Limited	https://www.truworths.co.za/	https://www.truworthsinternational.com/investors
42	Vodacom Group Limited	http://www.vodacom.co.za/	http://www.vodacom.com/integrated-reports.php
43	Woolworths Holdings Limited	https://www.woolworthsholdings.co.za/	https://www.woolworthsholdings.co.za/investors/all-reports-and-results/

<u>*Footnote:*</u>

1 - Barclays Africa Group Limited has officially been renamed Absa Group Limited and started trading under its new name and new share code (ABG) on the Johannesburg Stock Exchange on 11 July 2018.

Annexure 6: Example of checklist used to perform research

Name of company	Sample
Super-sector	Sample
Sector	Sample
Sub-sector	Sample
Industry	Sample
Auditor(s)	Sample
Financial year end	30-Jun-2017
Web address *(primary)*	www.sample.com
Web address *(reporting portal)*	www.sample.com
Date accessed / reviewed	1-Jul-18

Type of report(s) published on the entity's website:

	Y / N	Format:
Annual report (incorporating IR and AFS)		
Intergrated report (stand alone) (IR)		
Annual financial statements (AFS)		

CIPC XBRL proposed taxonomy for primary financial statements:

(Source: CIPC data model - 2016-08-31)

Identify which statements the entity reported:	Y / N	Comments:
Statement of financial position, current/non-current		
Statement of financial position, order of liquidity		
Combined (single) statement of profit or loss and comprehensive income		
Stand-alone statement of profit or losss and statement of comprehensive income		
Statement of comprehensive income, profit or loss, by function of expense		
Statement of comprehensive income, profit or loss, by nature of expense		
HYBRID between Function and Nature - no checklist completed		
Statement of comprehensive income, OCI components presented net of tax		
Statement of comprehensive income, OCI components presented before tax		
Statement of cash flows, direct method		
Statement of cash flows, indirect method		
Statement of changes in equity		
Statement of changes in net assets available for benefits - *only if presented in AFS (not checked in SD or IR)*		

DETAILED CHECKLISTS FOR MANDATORY DATA ELEMENTS: **COMPLETED**

CIPC XBRL taxonomy 31 mandatory data elements, and 15 elements mandatory if a valid value exists to be reported by full IFRS reporters (footnote 1):

(Source:http://www.cipc.co.za/files/2915/2542/7716/CIPC_Taxonomy_Mandatory_Data_Elements_-_2018-05-02.xlsx)

List #	**Mandatory element**		**Taxonomy ID source**	Check	**Yes**	**N/A**	**No [1]**	**No [2]**	**No [3]**	**No [4]**	**No [5]**	**Notes:**
1	Date of end of reporting period		ifrs-full_DateOfEndOfReportingPeriod	1	✓							*Example*
2	Revenue cast		ifrs-full_Revenue	1	✓							
3	Increase (decrease) in equity	1	ifrs-full_ChangesInEquity	1	✓							
4	Cash and cash equivalents	1	ifrs-full_CashAndCashEquivalents	1	✓							
5	Increase (decrease) in cash and cash equivalents	1	ifrs-full_IncreaseDecreaseInCashAndCashEquivalents	1	✓							
6	Cash flows from (used in) financing activities	1	ifrs-full_CashFlowsFromUsedInFinancingActivities	1	✓							
7	Cash flows from (used in) investing activities	1	ifrs-full_CashFlowsFromUsedInInvestingActivities	1	✓							
8	Cash flows from (used in) operating activities	1	ifrs-full_CashFlowsFromUsedInOperatingActivities	1	✓							
9	Comprehensive income	1	ifrs-full_ComprehensiveIncome	1	✓							
10	Other comprehensive income	1	ifrs-full_OtherComprehensiveIncome	1	✓							
11	Tax expense (income), continuing operations	1	ifrs-full_IncomeTaxExpenseContinuingOperations	1	✓							
12	Profit (loss)	1	ifrs-full_ProfitLoss	1	✓							
13	Profit (loss) before tax	1	ifrs-full_ProfitLossBeforeTax	1	✓							
14	Assets	1	ifrs-full_Assets	1	✓							
15	Equity	1	ifrs-full_Equity	1	✓							
16	Equity and liabilities	1	ifrs-full_EquityAndLiabilities	1	✓							
17	Disclosure of directors' responsibility [text block]		cipc-a_DisclosureOfDirectorsResponsibilityExplanatory	1	✓							
18	Date of approval of annual financial statements		cipc-ca_DateOfApprovalOfAnnualFinancialStatements	1	✓							
19	Disclosure of directors' report [text block]		cipc-ca_DisclosureOfDirectorsReportExplanatory	1	✓							
20	Date of publication of financial statements		cipc-ca_DateOfPublicationOfFinancialStatements	1	✓							
21	Declaration of signature by authorised director		cipc-ca_DeclarationOfSignatureByAuthorisedDirector	1	✓							
22	Declaration of director's report presence		cipc-ca_DeclarationOfDirectorsReportPresence	1	✓							
23	Declaration of auditor's report presence		cipc-ca_DeclarationOfAuditorsReportPresence	1	✓							

List #	Mandatory element	Taxonomy ID source	Check	Yes	N/A	No [1]	No [2]	No [3]	No [4]	No [5]	Notes:
24	Professional designation of individual responsible for preparation or supervising preparation of financial statements	cipc-ca_ProfessionalDesignationOfIndividualResponsibleForPreparationOrSupervisingPreparationOfFinancialStatements	1	✔							
25	Name of individual responsible for preparation or supervising preparation of financial statements	cipc-ca_NameOfIndividualResponsible ForPreparationOrSupervisingPreparationOfFinancialStatements	1	✔							
26	Level of rounding used in financial statements	ifrs-full_LevelOfRoundingUsedInFinancialStatements	1	✔							
27	Description of presentation currency	ifrs-full_DescriptionOfPresentationCurrency	1	✔							
28	Period covered by financial statements	ifrs-full_PeriodCoveredByFinancialStatements	1	✔							
29	Description of nature of financial statements	ifrs-full_DescriptionOfNatureOfFinancialStatements	1	✔							
30	Postal address same as business address	cipc-ca_PostalAddressSameAsBusinessAddress	1	✔							
31	Business address, country	cipc-ca_BusinessAddressCountry	1	✔							
32	Business address, city	cipc-ca_BusinessAddressCity	1	✔							
33	Business address, postal code	cipc-ca_BusinessAddressPostalCode	1	✔							
34	Business address, street name	cipc-ca_BusinessAddressStreetName	1	✔							
35	Type of company	cipc-ca-enum_TypeOfCompany	1	✔							
36	Full registered name of company	cipc-ca_FullRegisteredNameOfCompany	1	✔							
37	Principal place of business of company	cipc-ca_PrincipalPlaceOfBusinessOfCompany	1	✔							
38	Principal business of company	cipc-ca_PrincipalBusinessOfCompany	1	✔							
39	Email address of company	cipc-ca_EmailAddressOfCompany	1	✔							
40	Liabilities [1]	ifrs-full_Liabilities	1	✔							
41	Maximum number of individuals with beneficial interest in securities of company, or members in case of non profit company	cipcca_MaximumNumberOfIndividualsWithBeneficialInterestInSecuritiesOfCompanyOrMembersInCaseOfNonProfitCompany	1	✔							
42	Average number of employees	cipc-ca_AverageNumberOfEmployees	1	✔							
43	Registration number of company	cipc-ca_RegistrationNumberOfCompany	1	✔							
44	Name of designated person responsible for compliance	cipc-ca_NameOfDesignatedPersonResponsibleForComplianc	1	✔							
45	Public interest score	cipc-ca_PublicInterestScore	1	✔							
46	Customer code	cipc-ca_CustomerCode	1	✔							

1: Please Note: These elements are not mandatory if it is not possible for an entity to provide a valid value. If not possible to report on, an explanation will be required via a footnote on the specific element

Annexure 7: University of Johannesburg's College of Business and Economics research ethics committee approval

UNIVERSITY OF JOHANNESBURG

SCHOOL OF ACCOUNTING RESEARCH ETHICS COMMITTEE

Dear Ms Kulik

ETHICAL APPROVAL GRANTED FOR RESEARCH PROJECT

Decision: Clearance granted

This letter serves to confirm that the proposed research project indicated in the table below, has been reviewed by the School of Accounting Research Ethics Committee (SAREC) at the University of Johannesburg. Ethical clearance is granted for 5 years, from 28 July 2020 to 31 July 2025.

Applicant	Yvette Kulik
Supervisor	Prof A Mohammadali-Haji
Student number	909900517
Title of Research MCom International Accounting	An analysis of the XBRL compliance by South African listed companies
Decision date	28 July 2020
Reviewers	M de Wet & M Bornman
Ethical clearance code	SAREC20200728/05
Rating of application	CODE 01

CODE 01 - Approved; CODE 02 - Approved with suggestions without re-submission

CODE 03 - Referred back; CODE 04 - Disapproved, cannot re-submit

The researcher/s may now commence with the study providing that:

1. The researcher will ensure that the project adheres to ethical research requirements;
2. The researcher will be conducting the study as set out in the approval application;
3. The researcher will ensure that the project adheres to all applicable legislation, scopes of practice, professional codes of conduct and scientific standards as it pertains to the field or study;
4. The researcher will bring to the attention of the research ethics committee any proposed changes, concerns that arise, and unexpected ethical management issues;
5. Any changes that can affect the study-related risks for participants or researchers must be reported to the committee in writing;

Page 1 of 2

6. All relevant permission required to access data, organisations, etc. has been obtained (where applicable);
7. No fieldwork activities may continue after the ethical clearance has expired. A request for an extension of ethical clearance can be made in writing to SAREC.

Prof M Bornman

Chairperson: SAREC

Email: mbornman@uj.ac.za

Telephone: 011 559 3873

Annexure 8: Certificate of editing

BE STILL COMMUNICATIONS
For effective communication solutions

landamasuku@gmail.com
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Professional EDITORS Guild

CERTIFICATE OF EDITING

This document certifies that a copy of the thesis/dissertation whose title appears below was proofread for proper English language usage, grammar, punctuation, spelling, and overall style by Dr Nhlanhla Landa whose academic qualifications and professional affiliation appear in the footer of this document. The research content and the author's intentions were not altered during the editing process. The formatting of the document is the responsibility of the client.

TITLE: AN ANALYSIS OF THE XBRL COMPLIANCE BY SOUTH AFRICAN LISTED COMPANIES

AUTHORS: YVETTE KULIK (SUPERVISED BY PROFESSOR A. MOHAMMADALI-HAJI)

Note: The edited work described here may not be identical to that submitted. The author, at their sole discretion, has the prerogative to accept, delete, or change amendments made by the editor before submission.

DATE: 02 DECEMBER 2020

EDITOR'S COMMENT

The author was advised to effect suggested corrections in regards to consistency in structure, referencing and logic, and expression. There were also suggestions relating to table of contents automation.

Signature

PhD Applied Linguistics (UFH), MA Applied Linguistics (MSU), BA (Honours) English and Communication (MSU)
Professional Membership: A member of the Professional Editors Guild